



# Ascott Residence Trust

DBS Vickers Pulse of Asia Conference 2021

7 January 2021

# Important Notice

This presentation may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. ("**Managers**") nor any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of Ascott Residence Trust ("ART") is not indicative of future performance. The listing of the stapled securities in the ART ("Stapled Securities") on the Singapore Exchange Securities Trading Limited ("**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, the Managers or any of their 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.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.

# Content

- Overview of Ascott Residence Trust
- COVID-19: 2020 Review and Road to Recovery
- 3Q 2020 Business Updates
- Pivoting to the New Norm
- The View Ahead
- Appendix: 3Q 2020 Key Market Performance



# Overview of Ascott Residence Trust



# A Leading Global Hospitality Trust

Constituent of FTSE EPRA Nareit Global Developed Index



**\$7.6b<sup>1</sup>**

Total Assets

**>16,000<sup>2</sup>**

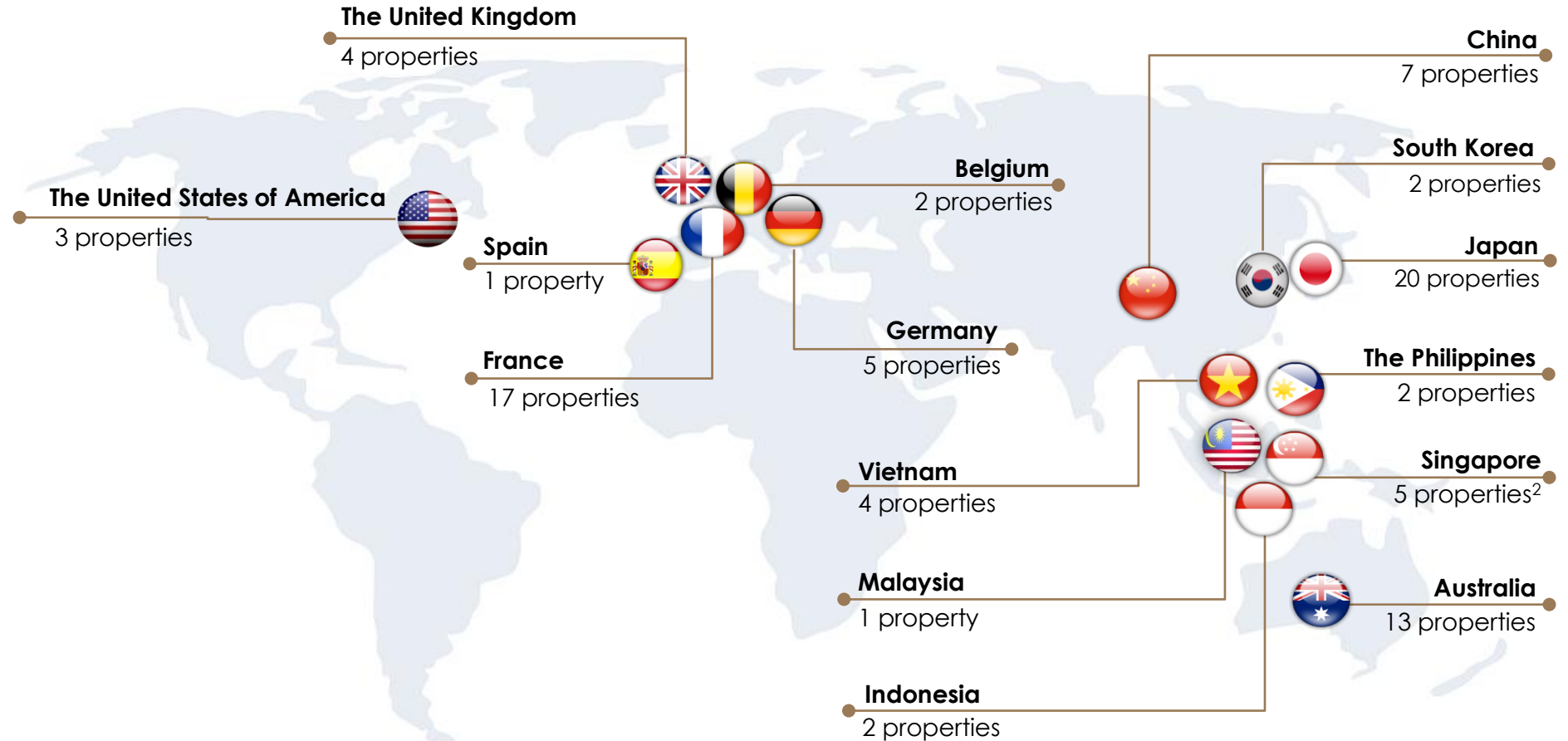
Units

**88<sup>2</sup>**

Properties

**39**

Cities in 15 countries



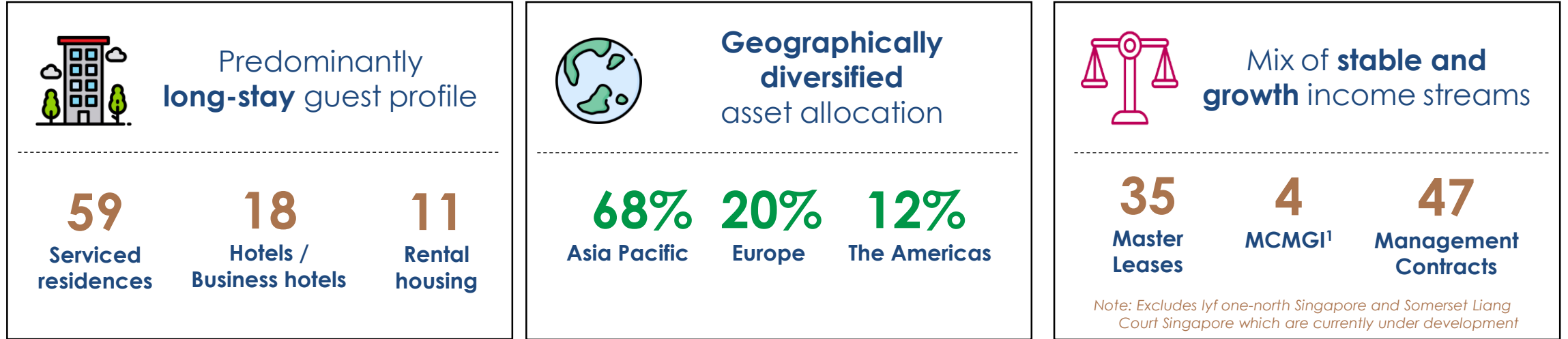
Notes: Above as at/for period ended 30 September 2020 unless otherwise stated

1. As at 30 June 2020

2. Including 1 of one-north Singapore and Somerset Liang Court Singapore (currently under development)

# Resilience from Diversification

Leveraging portfolio strengths in challenging times



Notes: Above as at 30 September 2020

1. MCMGI refers to Management Contracts with Minimum Guaranteed Income

# Strong Sponsor – The Ascott Limited

One of the leading international lodging owner-operators



**c.118,000**

**Serviced residence  
& hotel units**

Includes units under development

**>760**

**Properties**



**>190**

**Cities**

**>30**

**Countries**

**>30 years track record**

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



Notes: Figures updated as at October 2020  
1. Held through CapitaLand Group



# COVID-19: 2020 Review & Road to Recovery

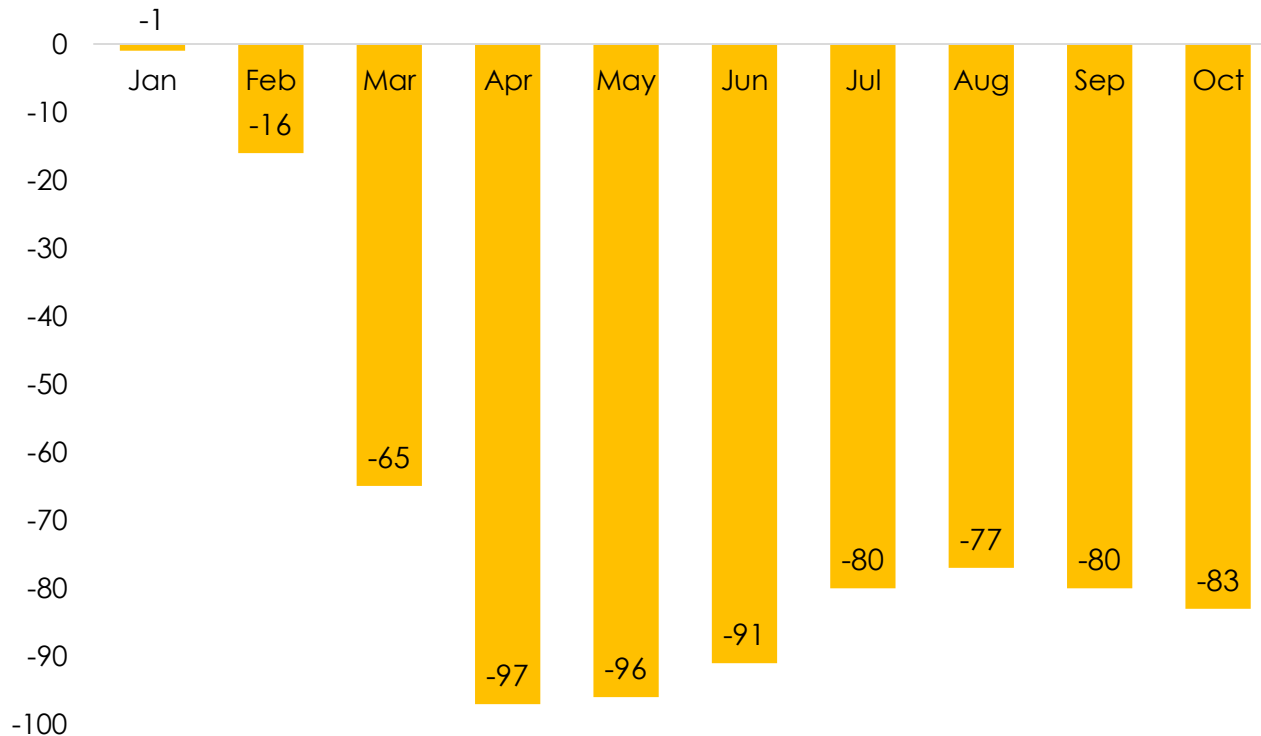




# 2020 – An Unprecedented Year

International visitor arrivals fell by more than 70% to 1990 levels

World International Tourist Arrivals, monthly change (%)



**70-75%**

Expected decline in international arrivals in 2020

**US\$1.1 trillion**

Expected losses in international tourism receipts in 2020

**70%**

Destinations that have eased restrictions on international tourism

- Up from 53% in September 2020
- >90% of Europe eased

Sources:

UNWTO, "Tourism back to 1990 levels as arrivals fall by more than 70%", 17 December 2020

UNWTO, "COVID-19 related travel restrictions, a global review for tourism", 2 December 2020

# Varied Pace of Recovery Across Regions

China continues to lead, Europe and US set back by resurgence

## The United States of America

- **Infections continue to be high and situation remains volatile**
- New York's non-essential businesses may be forced to close in January 2021 if COVID-19 cases continue to escalate
- **Limited service, extended stay hotels in drive-to and suburban locations have outperformed**

## Europe

- **Resurgence of the virus** has led to **lockdowns and strict measures** being imposed in France, Germany and UK
- **Borders shut to UK travellers** to curb spread of new COVID-19 strain
- **Operating environment challenging** but **fewer hotel closures** during the second lockdown compared to the first

## Asia Pacific

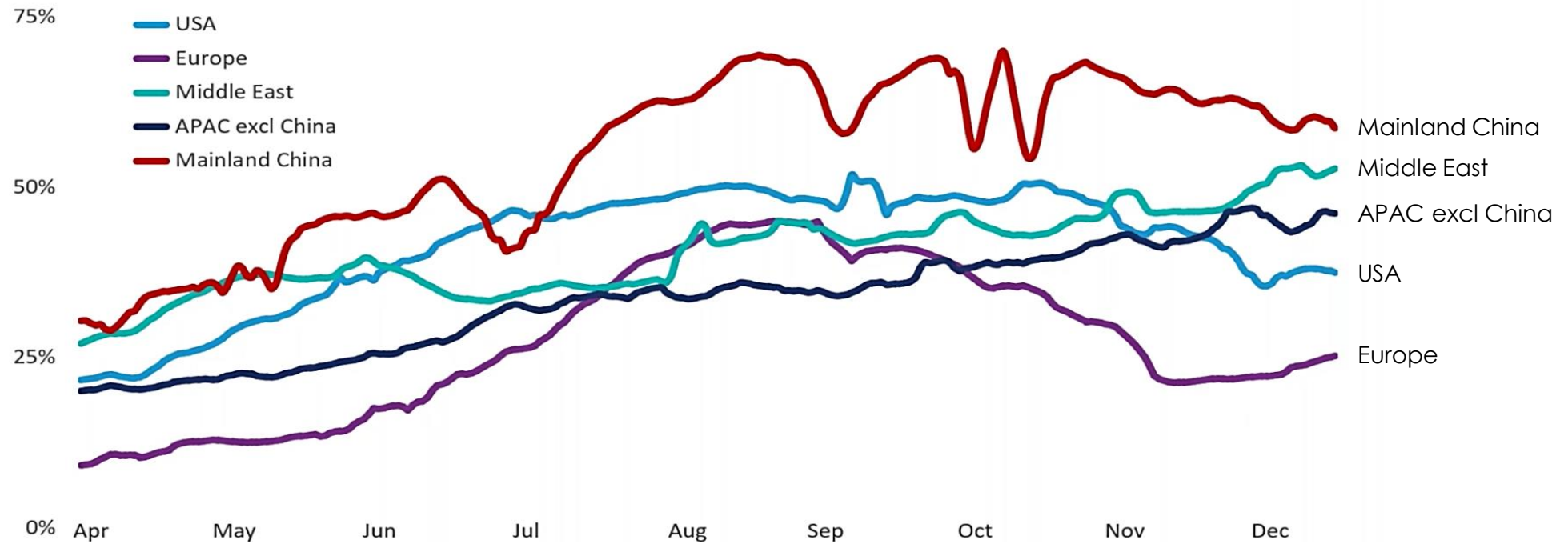
- **China: Normalcy has returned and domestic travel has resumed**; sporadic outbreaks in various cities
- **Australia: Gradual recovery**; some states have reimposed travel restrictions to curb new outbreaks
- **Japan: Domestic travel campaign suspended as regional travel boom has led to a surge in cases**
- **Singapore: COVID-19 situation in check**; **staycation-driven demand** as government self-isolation business wanes



# Varied Pace of Recovery Across Regions

China continues to lead, Europe and US set back by resurgence

Occupancy rate (%)

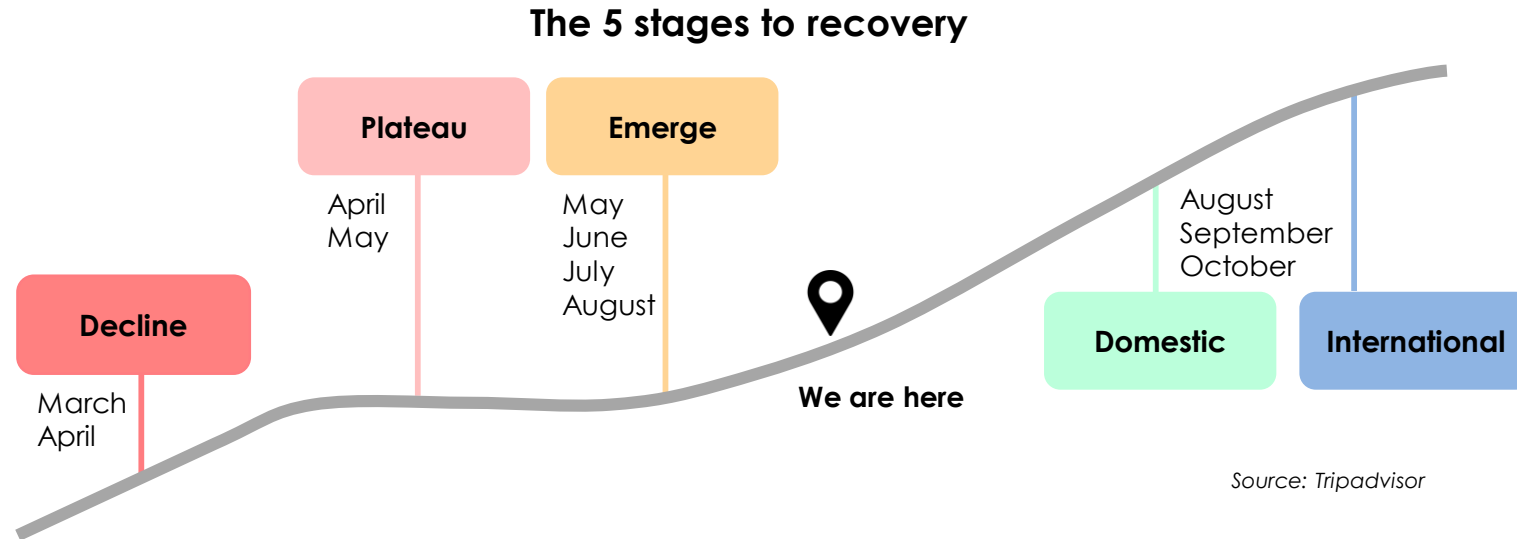


Source: STR<sup>1</sup>

Note:  
1. STR statistics as at 17 December 2020

# Road to Recovery

Desire to travel remains strong, vaccine boosts confidence



Confidence in traveling domestically more buoyant

**65%**

of respondents **expecting to travel domestically within the next 6 months** (Tripadvisor)

Despite continued uncertainty, desire to travel remains very strong

**48%**

of respondents from the U.S. **more confident to travel in the next 3 months**, versus 3 months ago (Tripadvisor)

To move from Domestic to International stage of recovery, a vaccine needs to be widely available

**48%**

**week-on-week increase in travel searches** after Pfizer said that a vaccine it was developing with BioNTech was more than 90% effective (Skyscanner<sup>1</sup>)



# Growth in Domestic Travel Partially Mitigates Weak Demand for Outbound Travel

Evidenced in large markets such as China, France, Germany and US

## Global Domestic Travel

(based on 2018 statistics)

**9 billion**  
trips recorded

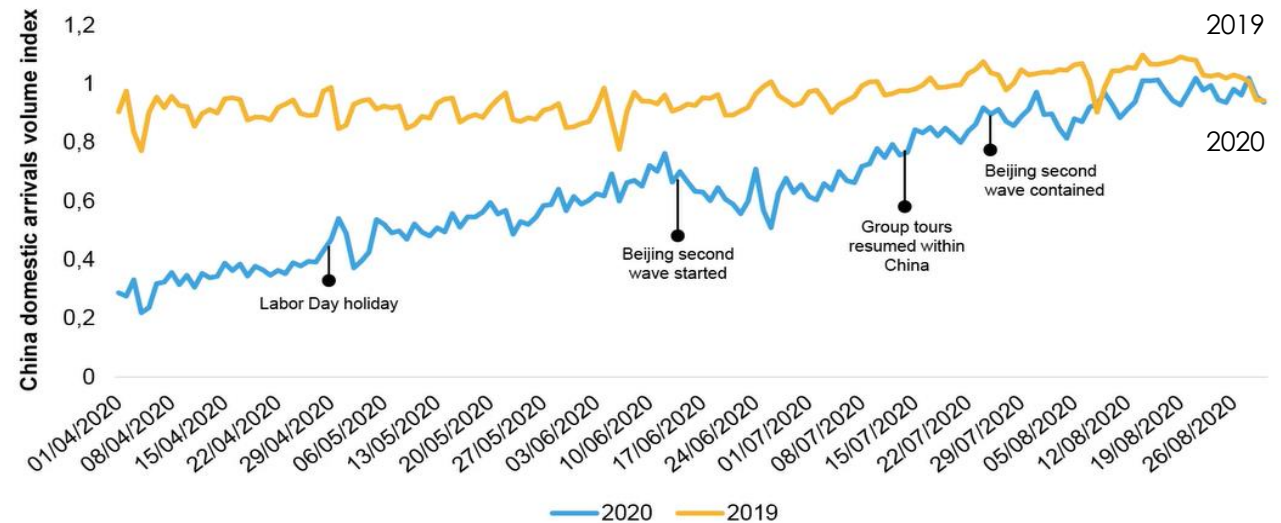
**6x larger**  
than international travel

**75%**  
of travel expenditure in  
OECD countries

## Domestic air travel in China made full recovery

### China domestic air arrivals

1 April to 30 August 2020



Source: Forward Keys

Sources:

UNWTO, "Briefing Note – Tourism and COVID-19, Issue 3: Understanding Domestic Tourism and Seizing its Opportunities", September 2020

Forward Keys, Domestic China Travel Webinar, 17 September 2020

# Evolving Hospitality Landscape

Meeting customer demands and navigating the new normal



## Shift in customer needs

**Prioritising  
cleanliness &  
hygiene**

**Flexible  
bookings**

**Fewer groups,  
more self-  
guided trips**

**Road trips  
and staycations**



## Hospitality 2.0 in a post-COVID-19 era

**New uses  
of space**

**Digital  
acceleration**

**Agility in revenue  
management**

**Leaner cost and  
operating structures**



# What Does The Future Hold?

Worst has passed, but full recovery to take time



- Growing number of destinations easing restrictions on travel
- To move from Domestic to International stage of recovery, a vaccine needs to be widely available
- Generally, serviced residences have outperformed other hotel classes
- UNWTO expects a rebound in international arrivals by 2H 2021 and a recovery to 2019 levels to take 2.5 - 4 years
- Full recovery will take place as pent-up demand is strong, but at an uneven pace

Sources:

UNWTO, "COVID-19 and Tourism, 2020: A Year in Review", December 2020

Tripadvisor (in partnership with Phocuswright), "A Year in Travel, Charting the Travel Industry's Path to Recovery", November 2020

STR, "COVID-19 impact on APAC hotel performance" webinar, 17 December 2020

# 3Q 2020 Business Updates

*As announced on 30 October 2020*

The image shows a large, multi-story building with a curved facade. The building is light-colored, possibly white or cream, and has many windows. The 'Citadines' logo is prominently displayed on the building's facade in a blue, 3D font. The logo is positioned on a curved section of the building, following the curve of the facade. The building has a modern, clean design with a grid-like pattern of windows and balconies. The sky is clear and blue, suggesting a bright day. The overall image is a high-quality photograph of a modern hotel building.

# Gradual Pick Up in Recovery



## Quarter-on-quarter recovery in portfolio RevPAU, long stays offer resilience

- **3Q 2020 portfolio revenue per available unit<sup>1</sup> (RevPAU) fell 70% year-on-year to S\$47, but increased 27% from previous quarter**
  - 93% of properties operational<sup>2</sup>, with more properties reopened as market conditions stabilised; 6 remain closed<sup>3</sup>
- **3Q 2020 average portfolio occupancy<sup>1</sup> of c.40%, a steady increase from c.30% in 2Q 2020**
  - Countries with long stays continued to be resilient, performing above market, while those traditionally dependent on transient travellers pursued alternative sources of business
- **Domestic demand supported recovery in large domestic markets such as China**
- **Portfolio continued to generate positive gross profit and cashflow**



## Working closely with lessees and operators

- **Master Leases and Management Contracts with Minimum Guaranteed Income cushioned impact of COVID-19**
- **Mandated rent abatement extended to qualifying lessees; other rent negotiations still ongoing**
- **Leveraged operational excellence of Sponsor and operators to pivot to the new norm**
  - Enhanced product offerings and introduced new initiatives to meet evolving needs of guests
  - Reviewed cost structure and accelerated digitalisation

### Notes:

1. Portfolio RevPAU and occupancy refer to the average revenue per available unit and occupancy of properties under management contracts and management contracts with minimum guaranteed income

2. Based on number of operating properties as at 29 October 2020

3. Comprising 2 properties in Japan, 1 each in Belgium, France, South Korea and USA

# Strong Financial and Cashflow Positions



Sufficient liquidity to cover more than 2 years' fixed costs under worst-case, zero-income scenario

- **Proactive and prudent capital management**
  - Successfully refinanced debt due in 2020 and extended debt maturity profile
  - Proceeds from divestment of partial gross floor area of Somerset Liang Court Singapore used to pare down debt; foreign exchange gain recognised
  - Covenant waivers obtained, lenders remain supportive
- **Lower effective borrowing cost of 1.8% p.a.**
- **Gearing remains low at 34.6%, with debt headroom of S\$2.2 billion<sup>1</sup>**
- **Strong cashflow position**



Notes:

Figures as at 30 September 2020, unless otherwise stated

1. Refers to the amount of additional debt before reaching aggregate leverage of 50%
2. Includes approximately S\$40 million in deposits received from ongoing divestments
3. Includes committed credit facilities amounting to approximately S\$136 million
4. Refers to the outstanding proceeds from the ongoing divestments of Ascott Guangzhou, Citadines Didot Montparnasse Paris, Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan



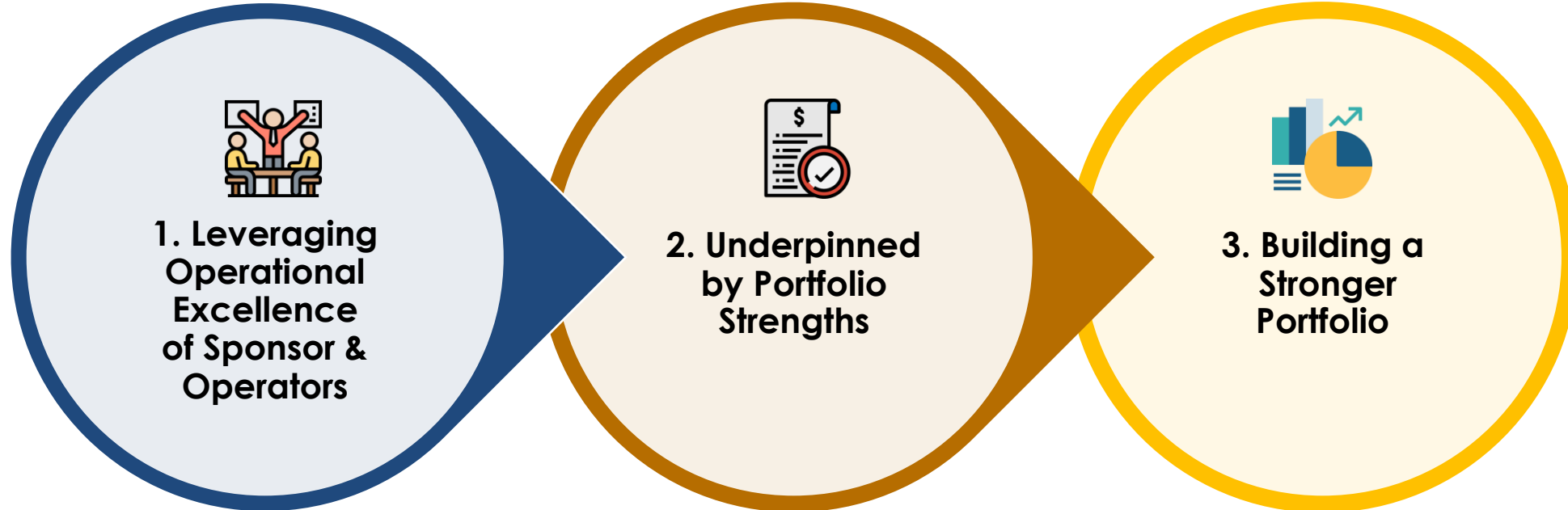
# Pivoting to the New Norm





# Seizing Opportunities in a Crisis

Reinventing to capture the upturn



# 1 Leveraging Operational Excellence

Commitment to hygiene and cleanliness



In partnership with Bureau Veritas - Health, Safety and Hygiene experts will certify and audit the implementation of Ascott Cares' 9 commitments, delivering a consistent and uniformed solution to Ascott's properties globally

## Green Serviced Residences – a Safer Choice



Ascott Makati – first IFC EDGE certified green serviced residence in the world

- 1  Our Staff
- 2  Guest Safety
- 3  Physical Distancing
- 4  Housekeeping
- 5  Apartments & Rooms
- 6  Food & Beverage
- 7  Shared Facilities
- 8  Contactless & Paperless
- 9  Our Vendors

Our Commitment to Hygiene and Cleanliness

- Self-contained apartment units with fully-equipped kitchens
- Openable windows and balconies for fresh air and ventilation
- Individual, energy-efficient air-conditioning
- Safe cleaning and maintenance
- Less staff and crowding



# 1 Leveraging Operational Excellence

Working with Sponsor and operators to pivot and adapt

## Actively pursued alternative sources of business



- Providing accommodation to those on self-isolation, healthcare personnel, workers looking for alternate work-from-home arrangements as well as those affected by border shutdowns

## New uses of space to meet evolving needs



- Optimising use of space and capitalising properties' adaptability and central locations
- E.g. Riding on the 'work-from-home' trend with Ascott's Work-in-Residence and Space-as-a-Service initiatives

## Reviewed operating cost structure & adopted digital technology



- Leveraging digital technology such as service robots, mobile apps and 3D virtual tours to reduce contact
- Comprehensive cost-containment measures and deferment of discretionary capital expenditure



## 2 Underpinned by Portfolio Strengths

Diversified portfolio with no concentration risk

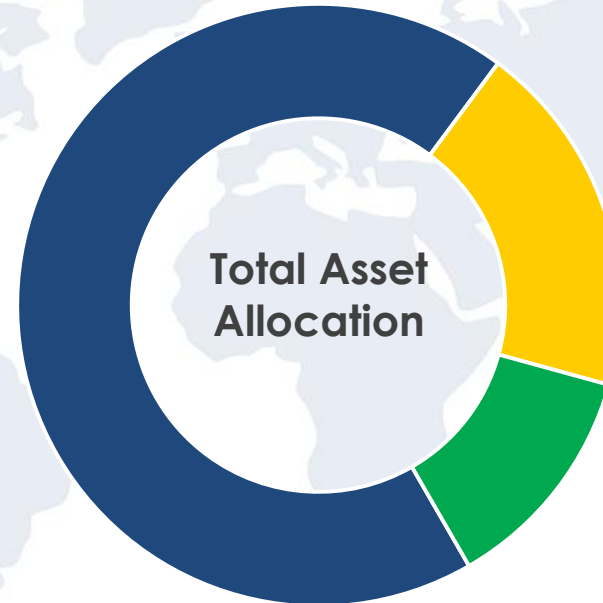
**>16,000<sup>1</sup>**  
Units

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

**39**  
Cities in 15 Countries

### Asia Pacific **67.7%**

<b>Australia</b>	<b>13.9%</b>
<b>China</b>	<b>7.8%</b>
Indonesia	1.4%
<b>Japan</b>	<b>19.8%</b>
Malaysia	0.6%
Philippines	2.5%
<b>Singapore</b>	<b>15.6%</b>
South Korea	2.6%
<b>Vietnam</b>	<b>3.5%</b>



### Europe **20.3%**

Belgium	1.0%
<b>France</b>	<b>7.6%</b>
Germany	3.7%
Spain	1.0%
<b>United Kingdom</b>	<b>7.0%</b>

### The Americas **12.0%**

<b>USA</b>	<b>12.0%</b>
------------	--------------

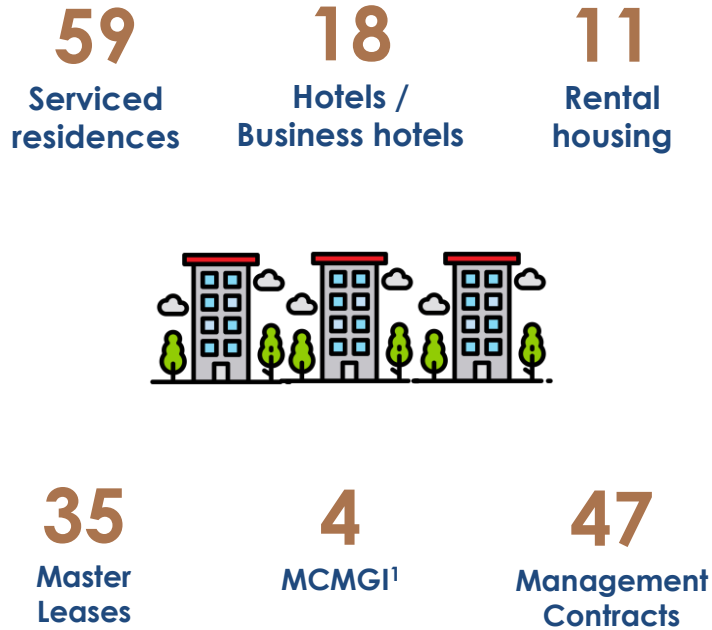
Notes:

Figures above as at 30 September 2020. Markets in bold are ART's 8 key markets

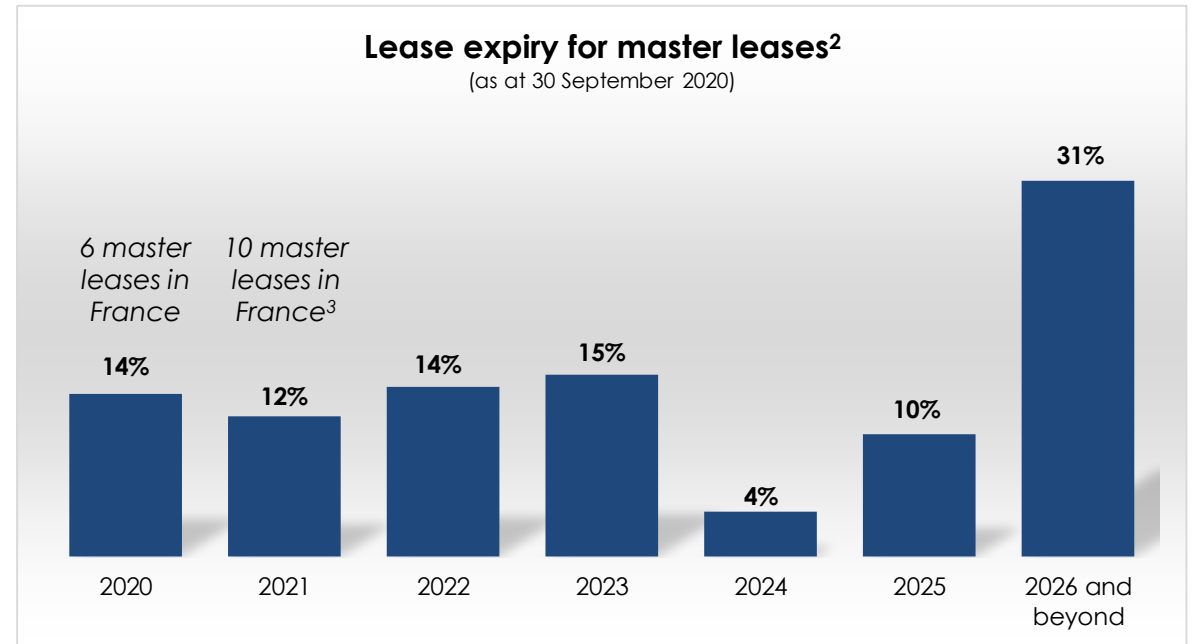
1. Including lyf one-north Singapore and Somerset Liang Court Singapore (currently under development)

## 2 Underpinned by Portfolio Strengths

Predominantly long-stay portfolio with mix of stable and growth income



*Note: Excludes lyl one-north Singapore and Somerset Liang Court Singapore which are currently under development*



Update as at 31 December 2020:

Master lease amendment agreements have been entered into to revise the rent structure and/or extend the term of the master lease agreements expiring in 2020 and 2021 by 2 to 3 years


**Notes:**

Above as at/for period ended 30 September 2020 unless otherwise stated

1. MCMGI refers to Management Contracts with Minimum Guaranteed Income
2. Percentage of gross rental income for master leases expiring during the respective periods over the total gross rental income for all master leases; excludes Citadines Didot Montparnasse Paris which is expected to be divested by 1Q 2021 and the 3 WBF properties as discussions on lease arrangements are ongoing
3. Comprises 4 French master leases which were extended on variable rent terms for 1 year with effect from 25 March 2020 and 6 French master leases expiring in September 2021

## 2 Underpinned by Portfolio Strengths

Strong financial capacity and healthy liquidity position




**Strong capital management**

---

**S\$1.24**  
NAV per Unit

**49%**  
Total assets in foreign  
currency hedged

**2.4% (gain)**  
Impact of foreign exchange after hedges  
on gross profit for 9M 2020



**Robust financing flexibility**

---


**34.6%**  
Gearing  
(c. S\$2.2 billion debt  
headroom<sup>1</sup>)

**1.8%**  
per annum  
Low effective  
borrowing cost

**BBB (Negative Outlook)**  
Fitch Ratings

Interest cover  
**2.9X<sup>2</sup>**

**69%**  
of property value  
unencumbered



**Fortifying liquidity reserves**

---

**c.S\$1.0 bil**  
Total available funds

=

**c.S\$855 mil**  
Available cash  
& credit facilities<sup>3</sup>

+

**c.S\$180 mil**  
Net divestment proceeds  
to be received<sup>4</sup>

Notes:

Above as at/for period ended 30 September 2020.

1. Refers to the amount of additional debt before reaching aggregate leverage of 50%
2. Refers to the 12-month trailing interest cover
3. Balances as at 30 September 2020; includes committed credit facilities amounting to approximately S\$136 million and deposits received from ongoing divestments of approximately S\$40 million
4. Refers to the outstanding proceeds from the ongoing divestments of Ascott Guangzhou, Citadines Didot Montparnasse Paris, Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan

## 2 Underpinned by Portfolio Strengths

Well spread-out debt maturity profile

**70% : 30%**

Bank loans : Medium Term Notes

**5%**

Total debt due in 4Q 2020

**c.80%**

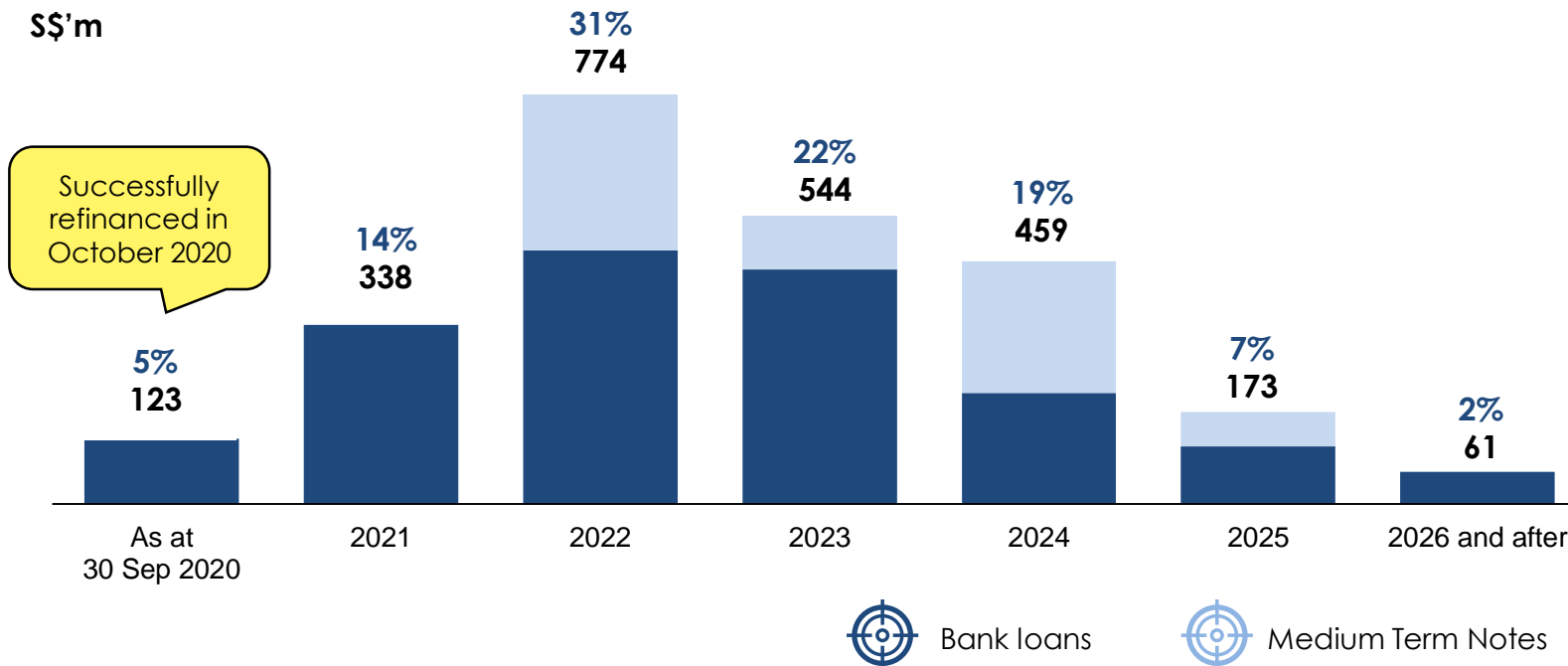
Total debt on fixed rates

**3.0 years**

Weighted average debt to maturity

### Managing liquidity risks through diversified funding sources

S\$'m



- Extended debt maturity profile with successful refinancing of c.\$330 million in debt this year
- Debt covenant waivers obtained
- Lenders remain supportive

Note:  
As at 30 September 2020



# 3 Building a Stronger Portfolio

Continuous efforts to enhance portfolio and create value



**Pursuing growth and enhancing returns through yield-accretive investments**

Flexibility to redeploy proceeds from divestments  
c. \$2.2 billion debt headroom as at 30 September 2020<sup>1</sup>



**Unlocking value through opportunistic divestments**



**Rejuvenating the portfolio with development projects**

Recent divestments include...



**Citadines Didot Montparnasse Paris**

at 69% above property book value  
Completion expected by 1Q 2021

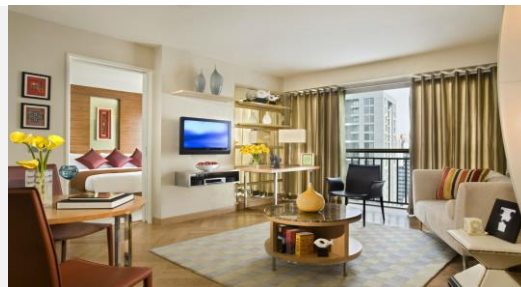


**lyf one-north Singapore**

**Remains relevant in the post-COVID-19 world** with flexibly-designed social spaces, functional units with ensuite bathrooms and work spaces for guests to 'work-from-home' in comfort  
Construction works resumed in August 2020; expected completion – 4Q 2021

**Ascott Guangzhou**

at 52% above property book value  
Completion expected by 1Q 2021



**Somerset Liang Court Singapore**

**Brand new Somerset serviced residence** with refreshed lease in the vibrant Clarke Quay enclave  
Project planning has commenced; expected completion of redevelopment - 2025



Note:

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



# The View Ahead



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



# The View Ahead

Near-term headwinds remain but well-placed to ride the recovery



## Varied pace of recovery across markets

- **Barring resurgence of the virus, gradual pick-up in occupancy expected**, but average daily rate growth remains limited
- Recovery continues to be driven by **domestic segment**
- Properties with **long stays and large domestic markets** expected to lead the recovery, while markets **in lockdown** or traditionally reliant on **transient business** expected to remain soft in 4Q 2020
- Negotiations with lessees ongoing and **further rental relief** may need to be extended
- **Property valuations expected to be impacted** on soft operating performance and outlook
- **Review distribution payout holistically**, taking into consideration market outlook and past divestment gains unlocked



## Seizing opportunities in a crisis

- **Leveraging operational expertise of Sponsor and operators** – proactively sourcing for alternative business, preparing for the upturn with future-ready offerings
- **Cost containment measures and digital acceleration**
- **Building a stronger portfolio and creating value** through opportunistic divestments and investment projects
- **Strong financial position and disciplined capital management**

With its **scale, diversification**, predominantly **extended-stay** portfolio and **strong financial capacity & flexibility**, ART is well-positioned to **tide over the downturn**



# Thank you



ASCOTT  
RESIDENCE  
TRUST

A Member of CapitalLand



# Appendix: 3Q 2020 Key Market Performance

*As announced on 30 October 2020*





# Australia

Absence of traditional demand mitigated by alternative business



**Lockdown measures reintroduced in Victoria state in July 2020 and lifted for Melbourne on 28 October 2020**



**International borders generally closed to non-residents**



**Selected interstate travelling permitted; movement limits for Melbourne may be lifted in November 2020 if cases remain low**

**14%** of total assets: **4** Master Leases; **9** Management Contracts

- **3Q 2020 RevPAU decreased 63% to AUD 47<sup>1</sup>** mainly due to softer performance of the hotels as most state borders remained closed
- **Absence of traditional demand mitigated by block bookings** from Australia's government, military and healthcare workers at some properties
- **Outlook uncertain** as domestic and international borders could remain closed until December 2020 and late 2021 respectively<sup>2</sup>
- **Block bookings** expected to continue into 4Q 2020, **cushioning the impact**
- Near-term demand expected to come from **intrastate leisure segment**; corporate demand remains muted
- Australia's tourism campaign expected to benefit **regional areas** more than capital cities
- **Rental waiver provided to master lessees** in compliance with Australia's mandatory code of conduct

Notes: Updates on travel and movement restrictions above as at 29 October 2020

1. Pertains to the properties under management contracts only

2. Source: News.com.au

# China

Recovery on track with long stays and healthy domestic demand



**8%** of total assets: **7** Management Contracts

- **3Q 2020 RevPAU decreased 30% to RMB 321**, a sequential recovery from preceding quarters, with stronger performance in first-tier cities
- **Above-market portfolio occupancy of 60% in 3Q 2020** due to long stays and domestic demand
- While the recovery in international and expatriate demand remains soft, **domestic corporate and industrial activities have resumed and expected to pick up pace**
- **Healthy enquiries for long stays and strong demand for leisure travel** on weekends and holidays
- **Recovery momentum expected to continue** with COVID-19 situation under control
- **Average daily rate growth expected to be limited** in the near-term due to market competition particularly in the midscale lodging segment
- **Divestment** of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan **expected to complete in 2021**
- **Divestment of Ascott Guangzhou on track** to complete by 1Q 2021; c.RMB 120 million in proceeds collected so far



**No movement restrictions but localised lockdowns may be imposed on areas experiencing second wave**



**International borders remain closed except for green lane arrangements**



**Domestic travel permitted**

# France

Situation fragile with imposition of lockdown measures



**Month-long lockdown introduced from 29 October 2020; restrictions to be reassessed fortnightly**



**International borders reopened to countries outside Schengen Zone from July 2020**



**Travel between French regions banned**

**8%** of total assets: **17** Master Leases

- **11 of the 12 properties** temporarily closed in 1H 2020 **have reopened**; remaining property expected to reopen in 4Q 2020
- **Domestic leisure demand peaked in August** during the summer holiday season; ART's regional France properties registered healthy occupancies of >80%
- While leisure demand was less robust in Paris, ART's properties **secured extended-stay bookings** from **student and arts and cultural groups**
- **Situation fragile** with recent spike in COVID-19 caseloads and tightened measures
- Master leases expiring in December 2020<sup>1</sup> currently under review
- In March 2020, 4 expired French master leases were extended on variable rent terms for a year. Occupancy rates of these properties<sup>2</sup> **increased steadily in recent months**
- **Divestment of Citadines Didot Montparnasse Paris on track** to complete by 1Q 2021

Notes: Updates on travel and movement restrictions above as at 29 October 2020

1. More details on expiring master leases on slide 24.

2. The 4 properties are Citadines Castellane Marseille, Citadines Austerlitz Paris, Citadines République Paris and Citadines Maine Montparnasse Paris



# Japan

Operating environment remains challenging with limited market demand



**State of emergency lifted since May 2020**



**Selective travel permitted under travel bubble and travel corridor arrangements**



**All inter-prefectural travel restrictions lifted in June 2020; domestic travel encouraged**

**20%** of total assets: **5** Master Leases; **4** serviced residences under Management Contracts (MC) and **11** rental housing properties under MC

- **3Q 2020 RevPAU decreased 91% to JPY 1,068<sup>1</sup>** due to the absence of transient travel demand
- Fixed rent from **master leases** and resilient contribution from **rental housing properties** (high occupancies of >90%) mitigated weak performance of other properties under MC
- **4 of the 6 properties** temporarily closed in 1H 2020 **have reopened**; remaining 2 are properties operated by WBF Hotel & Resorts (WBF)
- Some **traction from Japan's 'Go To' domestic tourism campaign** and **demand for day use** at ART's properties
- **Operating environment continues to be challenging** as locals prefer visiting regional cities of Japan
- Update on WBF:
  - WBF, master lessee of 3 ART properties, filed for civil rehabilitation in April 2020
  - All 3 properties continue to be operated by WBF currently
  - Discussions on lease arrangements ongoing

# Singapore

## Occupancies supported by government-contracted business



**16%** of total assets: **2** Master Leases; **2** Management Contracts<sup>1</sup>

- While block bookings by the government mitigated the absence of international travellers, **3Q 2020 RevPAU decreased 50% to S\$85<sup>2</sup>** mainly due to lower room rates
- **Occupancies expected to remain elevated**, albeit at lower rates, with government contracted business
- Ascott Orchard Singapore, which currently serves guests on staycations, in addition to guests on long stays and self-isolation, could receive a **boost from Singapore's domestic tourism drive**
- Despite the formation of green lane arrangements and progressive easing of travel restrictions, **international travel demand is expected to take time to return**
- **Sale of partial gross floor area of Somerset Liang Court Singapore completed** on 15 July 2020 and project planning has commenced; redeveloped property expected to complete by 2025



**'Circuit Breaker' began in April 2020 and currently in Phase 2**



**International borders remain closed except for green lane arrangements**



**Hotels approved by Singapore Tourism Board can accept staycation bookings**

Notes: Updates on travel and movement restrictions above as at 29 October 2020

1. Comprises Citadines Mount Sophia Singapore and Somerset Liang Court Singapore which was divested in July 2020

2. Pertains to Citadines Mount Sophia Singapore only as Somerset Liang Court Singapore was divested and ceased revenue recognition in July 2020

# United Kingdom

Outlook uncertain with tightening restrictions



**Three-tier system of lockdown reintroduced in October 2020; measures depend on level of transmission within the city**



**International borders open to countries under airbridge arrangements**



**Non-essential travel discouraged**

## 1 **7%** of total assets: **3** Management Contracts<sup>1</sup>; Management Contract with Minimum Guaranteed Income (MCMGI)

- **3Q 2020 RevPAU decreased 89% to GBP 17** as the 4 properties, located in London, were more affected by an absence of international travel demand
- **Income top-up mitigated the drop** at Citadines South Kensington, under MCMGI arrangement
- **Gradual recovery in recent months** led by domestic leisure segment and supported by long stays
- **Bright spots** include student accommodation and residential leases, which have **longer length of stay**
- London currently in tier two (medium alert) lockdown and **pace of recovery could be dampened** on the back of tightened measures
- While airbridge arrangements have been established with several countries, **international demand remains muted** as COVID-19 caseloads continue to rise in the UK

Notes: Updates on travel and movement restrictions above as at 29 October 2020

1. From 1 May 2020, 3 MCMGI, upon their expiry, were converted to management contracts for 1 year

# United States

Challenging market conditions to persist



12% of total assets: 3 Management Contracts

- **3Q 2020 RevPAU decreased 78% to USD 47**
- **Temporary closure** of Element New York Times Square West in late August partially mitigated by **block booking of Hotel Central Times Square** (formerly known as DoubleTree by Hilton Hotel New York - Times Square South) from June 2020
- Current bookings mainly from **leisure segment and drive-to markets**, with spikes in demand on weekends
- **Demand from corporate segment muted** but could gradually pick up with the reopening of large headquarter offices in New York City
- New York City's Manhattan hotels **particularly challenged** with 58% of total market inventory closed as of early September 2020<sup>1</sup>
- **Economy and midscale hotels** expected to return to pre-pandemic levels the fastest due to **leaner cost structures**
- **Pace of recovery dependent on COVID-19 caseloads**; New York City market occupancy at 38% in August 2020<sup>2</sup>



**Most states have reopened but some have reintroduced curfews and restrictions as caseloads increase**



**Entry closed to travellers from certain countries**



**Domestic travel generally permitted but travellers from certain states subject to quarantine**

Notes: Updates on travel and movement restrictions above as at 29 October 2020

1. Source: Travel Weekly

2. Source: STR



# Vietnam

Long stays continue to provide resilience



4% of total assets: 4 Management Contracts

- **3Q 2020 RevPAU decreased 58% to VND 687,000**
- **Travel sentiment dampened** following second wave of outbreak in Danang
- **Corporate long stays** cushioned occupancies at the properties
- Other opportunities pursued included working with authorities and embassies to serve **diplomats** on self-isolation or long stays, as well **as experts and expatriates in search of long-stay accommodation**
- **Domestic leisure demand remains limited**, as travellers prefer resort destinations for staycations
- With further easing of travel restrictions and resumption of more international air routes, demand from foreign companies and expatriates may progressively improve
- Nonetheless, **operating environment expected to remain challenging** given reduction of corporate budgets and rate competition



**Localised lockdown imposed in Danang from July to September 2020**



**International borders generally remain closed except to selected officials and skilled workers**



**Domestic travel permitted**