



CapitaLand Ascott Trust
**Proposed Acquisition
of Iyf Funan Singapore**

14 November 2024

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Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Circular dated 29 Oct 2024 and titled "The proposed acquisition of 100.0% of the issued units in Victory SR Trust which directly holds 100.0% of the interest in Iyf Funan Singapore, and entry into the master lease, as an interested person transaction" (Circular)



Portfolio Overview & Strategy



CapitaLand Ascott Trust's Positioning

Predominantly anchored in Asia Pacific, marrying growth with stability

Geographical Allocation

Global in presence, anchored in Asia Pacific



Predominantly in Asia Pacific

Remainder in Europe/USA

- Largest lodging trust in Asia Pacific
- Diversified across 16 countries, Asia Pacific remains core
- Presence in large domestic markets and key gateway cities

Target Asset Allocation

Longer-stay accommodation

25-30% in rental housing and student accommodation

Hospitality assets

70-75% in serviced residences and hotels



- Backed by strong sponsor, The Ascott Limited, one of the leading international lodging owner-operators

Proactive Investment & Portfolio Reconstitution

Building a stronger portfolio, enhancing the quality and performance of CLAS' properties



Divestments to unlock value

- Divesting **properties which have reached the optimal stage of their life cycle**
- **Redeploying proceeds into optimal uses**, including investing in higher-yielding properties, funding asset enhancement initiatives (AEIs) and paying down debts with higher interest rates



Investing in quality properties at higher yields

- Investing in properties in **prime locations** of key capital cities and which are supported by **strong demand drivers**
- **Selectively undertaking development projects** with higher yields
- **Accretive investments** create value for CLAS and improve returns to Stapled Securityholders



Asset enhancement to drive returns

- AEIs to **enhance the properties' performance and valuations**
- Pipeline of AEIs from 2024 to 2026 provides CLAS with the **next wave of uplift beyond the travel recovery**

Completed Over S\$500 mil in Divestments Year-to-Date

Divesting at premium to book value, unlocking about S\$60 mil in net gains

	Recently announced in Oct 2024					
	<ul style="list-style-type: none"> Courtyard by Marriott Sydney-North Ryde (CMSNR) Novotel Sydney Parramatta (NSP) 	<ul style="list-style-type: none"> Hotel WBF Kitasemba East Hotel WBF Kitasemba West Hotel WBF Honmachi 	Citadines Mount Sophia Singapore	Citadines Karasuma-Gojo Kyoto	Infini Garden	Somerset Olympic Tower Tianjin
Lodging type and location	Hotels in Sydney, Australia	Hotels in Osaka, Japan	Serviced residence in Singapore	Serviced residence in Kyoto, Japan	Rental housing in Fukuoka, Japan	Serviced residence in Tianjin, China
Divestment price	AUD 109.0 mil (S\$95.6 mil)	JPY 10.7 bil (S\$99.8 mil)	S\$148.0 mil	JPY 6.18 bil (S\$53.1 mil)	JPY 12.7 bil (S\$108.0 mil)	Divesting at a premium to book value More details to be provided upon completion
Premium over book value	5%	15%	19%	40%	55%	
Exit yield ¹	4.4%	Not meaningful	3.2%	0.3%	3.4%	
Net gain	S\$16.4 mil ²	S\$10.9 mil	S\$18.8 mil	S\$8.0 mil	S\$5.0 mil	
Completion	Completed: <ul style="list-style-type: none"> CMSNR: Jan 2024 NSP: Sep 2024 	Completed: Mar 2024	Completed: Mar 2024	Completed: Oct 2024	Completed: Oct 2024	Expected completion: 2Q 2025

Notes:

Based on exchange rates AUD 1 = S\$0.87683; JPY 1 = S\$0.00933 for the properties in Osaka; JPY 1 = S\$0.0085 for the properties in Kyoto and Fukuoka

1. The exit yield of the Australia properties was computed based on FY 2022 earnings before interest, taxes, depreciation and amortisation (EBITDA) as the divestments were entered into in 2023. The exit yield of the rest of the properties were computed based on FY 2023 EBITDA as the divestments were entered into in 2024. The exit yield of the Japan portfolio is not meaningful as the properties were largely closed in 2022.

2. Includes the transfer of S\$19.3 million from the asset revaluation reserve to revenue reserve

Investing c.S\$350 mil in Quality Assets at Higher Yields

Acquiring accretively in key cities with strong demand drivers

			Recently announced in Oct 2024
	Teriha Ocean Stage	Remaining 10% stake in Standard at Columbia	Iyf Funan Singapore
Lodging type and location	Rental housing in Fukuoka, Japan	Student accommodation in South Carolina, USA	Singapore
Agreed property value	JPY 8.0 bil (S\$82.6 mil)	CLAS' total investment cost for 100% of the property is c.US\$103.6 mil (S\$139.3 mil)	S\$263.0 mil
Entry yield (based on agreed property value)	Net operating income (NOI) yield of c.4.0% on a stabilised basis	EBITDA yield on CLAS' total investment cost of c.7%	EBITDA yield of 4.7% on a FY 2023 pro forma basis
DPS accretion (on a FY 2023 pro forma basis)	0.5%	Not meaningful as the property turned operational in Aug 2023	1.5%
Method of financing	JPY-denominated debt	Divestment proceeds	Divestment proceeds and debt
Completion	Completion: Jan 2024	Completion: Jun 2024	Expected completion: 4Q 2024 ¹

Notes: Based on exchange rates USD 1 = S\$1.34516; JPY 1 = S\$0.01034

1. Subject to Stapled Securityholders' approval at the Extraordinary General Meeting on 18 Nov 2024. While the target date for completion is 4Q 2024, the long stop date for completion is 28 Feb 2025 or such later date as the parties to the Unit Purchase Agreement may agree.

Asset Enhancement & Development Initiatives

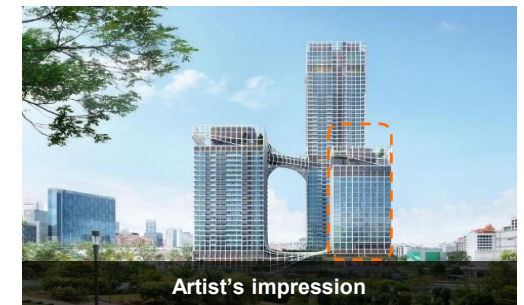
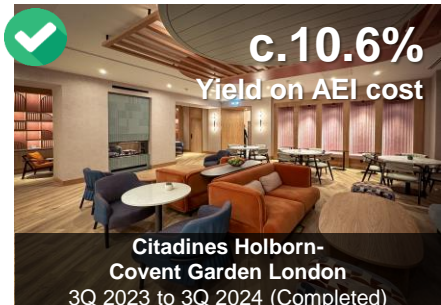
Uplifting the value and profitability of properties in prime locations of key gateway cities

Asset Enhancement Initiatives

- Total capital expenditure of c.S\$250 mil for the 8 AEs partially funded by master lessee / operator
- CLAS' contribution of c.S\$170 mil to be funded by proceeds from the Equity Fund Raising in Aug 2023, divestment proceeds, debt facilities and/or cash generated from properties
- CLAS' capital expenditure for the remaining 3 projects is c.S\$135 mil

Development of Somerset Liang Court Singapore

- 192-unit serviced residence with hotel licence in the popular riverfront lifestyle and entertainment Clarke Quay precinct
- Expected completion in 2026



Notes:
Timelines of the asset enhancement initiatives are subject to change
Images for The Cavendish London and Sydney Central Hotel are artist's impressions



The Proposed Acquisition



Iyf Funan Singapore

Accretive acquisition in the heart of Singapore's Civic District



+1.5%
Distribution per
Stapled Security
(DPS) accretion
on a FY 2023
pro forma basis

4.7%¹
EBITDA yield
on a FY 2023
pro forma basis

Location	67 Hill Street, Level 4 Funan, Singapore 179370	
Lodging type	Hotel	
Year built	2019	
Master Lease in relation to the Property	Upon completion of the Proposed Acquisition ² , the Master Lease will be entered into with Iyf Funan Management Pte. Ltd., which is a wholly owned subsidiary of The Ascott Limited (Master Lessee) ³	
Number of rooms	329	
Gross floor area	c.11,347.4 sqm	
Title	Leasehold tenure expiring on 11 Dec 2078 (c.54 years remaining)	
Independent valuations (Discounted cash flow method, as at 30 Jun 2024)	S\$265.0 mil	S\$271.0 mil
	<ul style="list-style-type: none"> Valuer: SG&R Singapore Pte Ltd (HVS) Commissioned by: REIT Manager 	<ul style="list-style-type: none"> Valuer: Colliers International Consultancy & Valuation (Singapore) Pte Ltd (Colliers) Commissioned by: REIT Trustee
Agreed property value	S\$263.0 mil	
Purchase consideration	S\$146.4 mil	

Notes:

- The EBITDA yield is based on the agreed property value
- The target date for completion is 4Q 2024, and the long stop date for completion is 28 February 2025 or such later date as the parties to the Unit Purchase Agreement may agree.
- The Master Lease will have an initial term of 20 years, and such term is renewable for a further five-year period upon mutual agreement by the parties. The rent payable by the Master Lessee shall be 93.5% of the gross operating profit in relation to the Property. The operating expenses of the Property are to be borne by the Master Lessee. Please refer to paragraph 2.6 of the Letter to Stapled Securityholders in the Circular for more details on the terms and conditions of the Master Lease.

Method of Financing

Purchase consideration largely funded by divestment proceeds; aggregate leverage remains below 40%

Total Acquisition Outlay	(S\$' mil)
Purchase consideration	146.4 ¹
Loan repayment	113.0
Professional and other fees and expenses (inclusive of debt financing-related expenses)	3.1
Acquisition fee ²	2.6
Total	265.1

Method of Financing	(S\$' mil)
Proceeds from divestment of Citadines Mount Sophia Singapore	142.8
Debt ³	119.7
CLAS Stapled Securities (for acquisition fee)	2.6
Total	265.1

- **Purchase consideration of S\$146.4 mil largely funded by proceeds from the divestment** of Citadines Mount Sophia Singapore which was completed in Mar 2024
- CLAS will draw down debt to repay an existing loan facility of S\$113.0 mil
- Based on CLAS' aggregate leverage⁴ as at 30 June 2024 and taking into account the Proposed Acquisition, **CLAS' aggregate leverage is expected to be c.39.1%**

Notes:

1. See paragraph 2.2 of the Letter to Stapled Securityholders of the Circular for further details including the repayment of Existing Facility of S\$113.0 million
2. As the Proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be in the form of Stapled Securities and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix
3. Including the amount drawn down under the New Facility Agreement to repay the Existing Facility. Please refer to paragraphs 2.7 and 2.8 of the Letter to Stapled Securityholders in the Circular for more details.
4. "Aggregate Leverage" is defined in the Property Funds Appendix as the ratio of CLAS' borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Stapled Securities) to the value of its deposited property

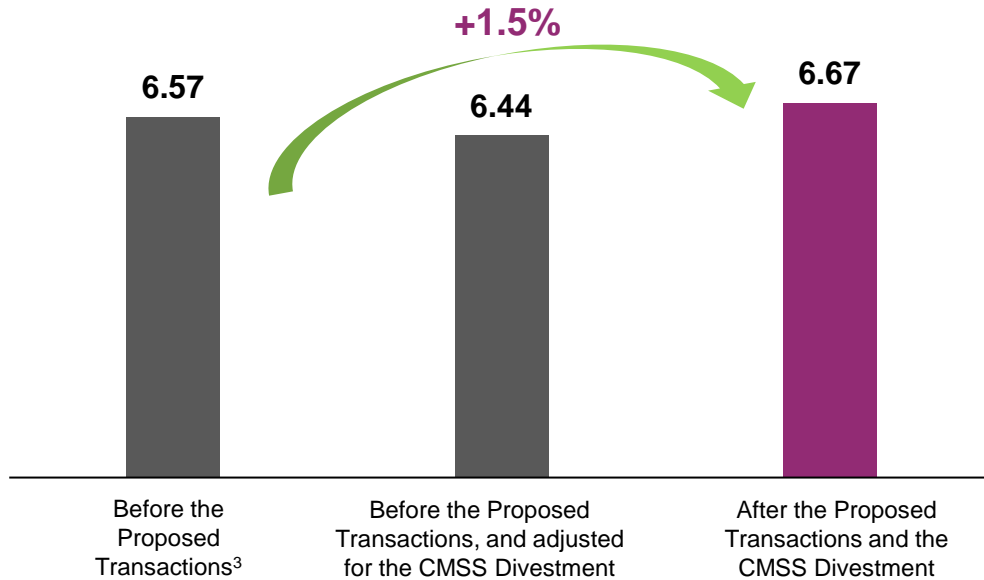


Rationale for & Benefits of the Proposed Acquisition

1 Enhancing DPS through Portfolio Reconstitution

Divesting at exit yield of 3.2% and re-investing proceeds at EBITDA yield of 4.7%

Distribution per Stapled Security (DPS) (Singapore cents)
on a FY 2023 pro forma basis



+1.5%
DPS accretion
on a FY 2023 pro forma basis

4.7%¹
EBITDA yield
on a FY 2023 pro forma basis

- **EBITDA yield of the Proposed Acquisition is 4.7%** on a FY 2023 pro forma basis
- **Attractive entry yield that is 150 basis points higher** compared to the exit EBITDA yield of Citadines Mount Sophia Singapore (CMSS) of 3.2%² for FY 2023
- Following the Proposed Transactions and taking into account the CMSS Divestment, CLAS' total distribution is expected to increase by S\$3.5 mil, which translates to a **DPS accretion of 1.5%** on a FY 2023 pro forma basis

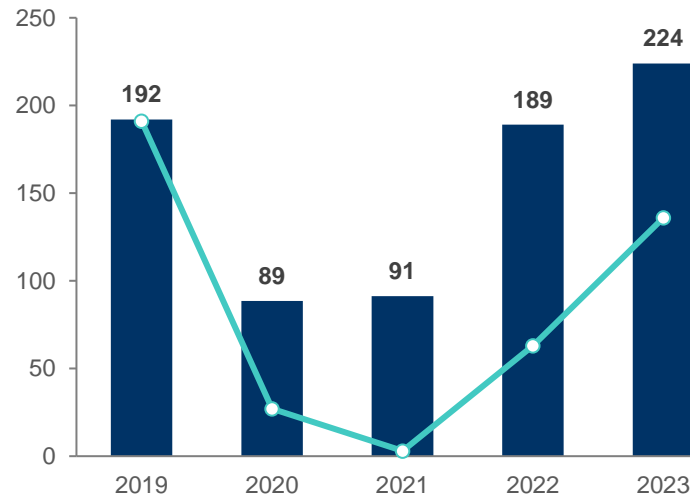
Notes:

1. The EBITDA yield is computed based on the agreed property value of the Property
2. Computed based on the divestment price of S\$148.0 million
3. The Proposed Transactions refer to the Proposed Acquisition and the entry into the master lease

2 Increasing Exposure to a Key Gateway City with Favourable Demand-Supply Dynamics

Robust performance of Singapore's hotel industry

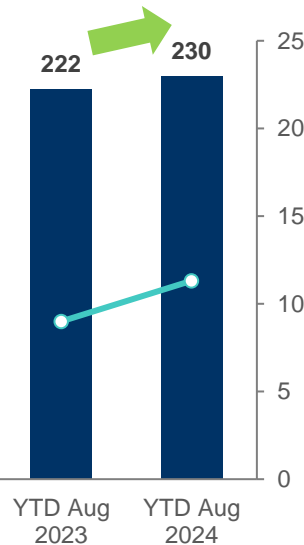
Singapore Market RevPAR (S\$)



Sources: Singapore Tourism Board, Colliers

Legend: ■ Singapore market RevPAR
—●— International visitor arrivals

International Visitor Arrivals (mil)



- **Market revenue per available room (RevPAR) of Singapore hotels exceeded 2019 levels by 16% in 2023**, driven by significant outperformance in average daily rates¹
- **Recovery of travel is expected to continue in 2024** with improved global flight connectivity and capacity, and implementation of visa-free travel arrangements²
- For the first 8 months of 2024, market RevPAR of Singapore hotels **increased 3.4% year-on-year**¹

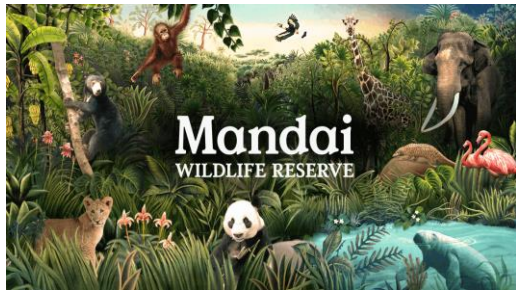
Notes:

1. Source: Singapore Tourism Analytics Network (September 2024)
2. Source: Singapore Tourism Board (February 2024) - Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts

2 Increasing Exposure to a Key Gateway City with Favourable Demand-Supply Dynamics

Growth in demand expected to outpace that of supply

Singapore remains a global hub with inbound travel demand boosted by new attractions and infrastructure projects



Mandai Wildlife Reserve



Formula 1 Grand Prix



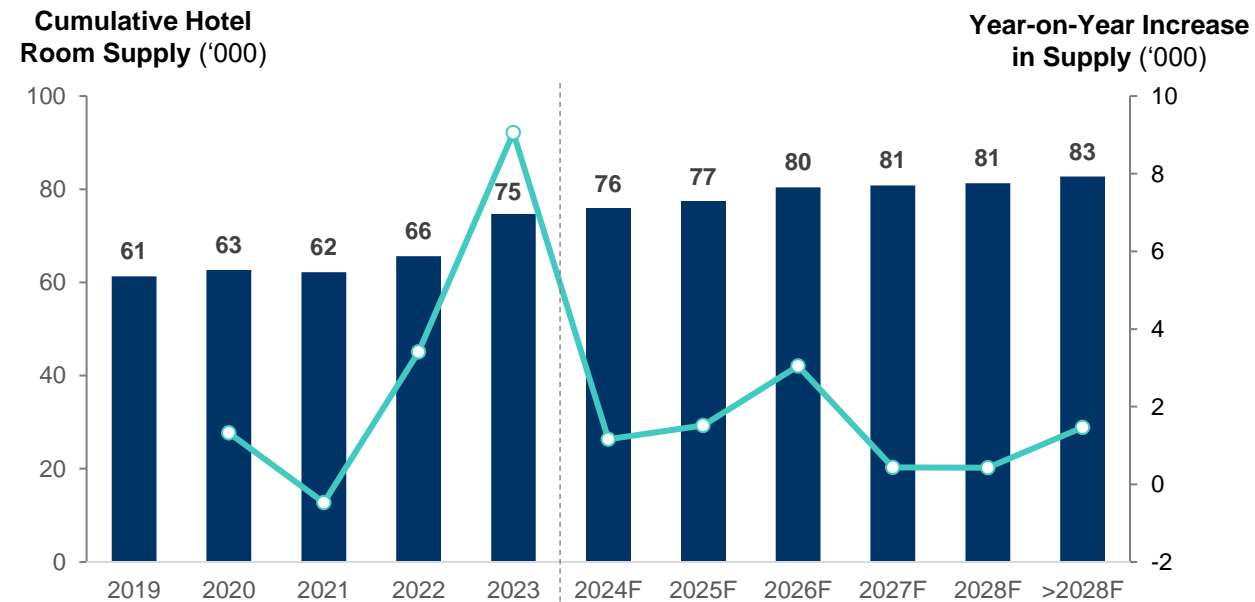
Meetings, Incentives, Conferences and Exhibitions such as Food & Hotel Asia



Construction of Changi Airport Terminal 5 to commence in 2025

Image credits (from top left, clockwise): Mandai Wildlife Reserve, F1 Grand Prix, Changi Airport Group and TTG Mice

New room supply beyond 2024 is expected to be muted at a CAGR of 1.8%, lower than the CAGR of 3.3% from 2015 to 2019



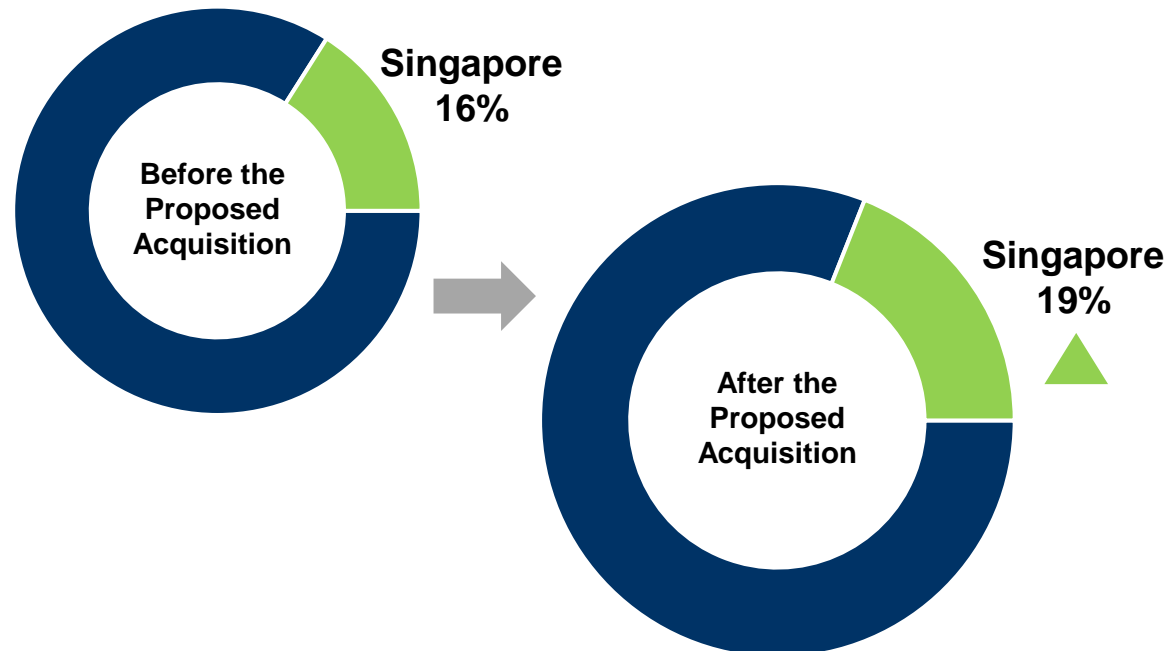
Sources: Singapore Tourism Board, Colliers

Legend: ■ Cumulative hotel room supply
—●— Year-on-year increase in supply

2 Increasing Exposure to a Key Gateway City with Favourable Demand-Supply Dynamics

Balancing contribution from Singapore and overseas markets

Proportion of CLAS' Total Assets in Singapore
(as at 30 Jun 2024)

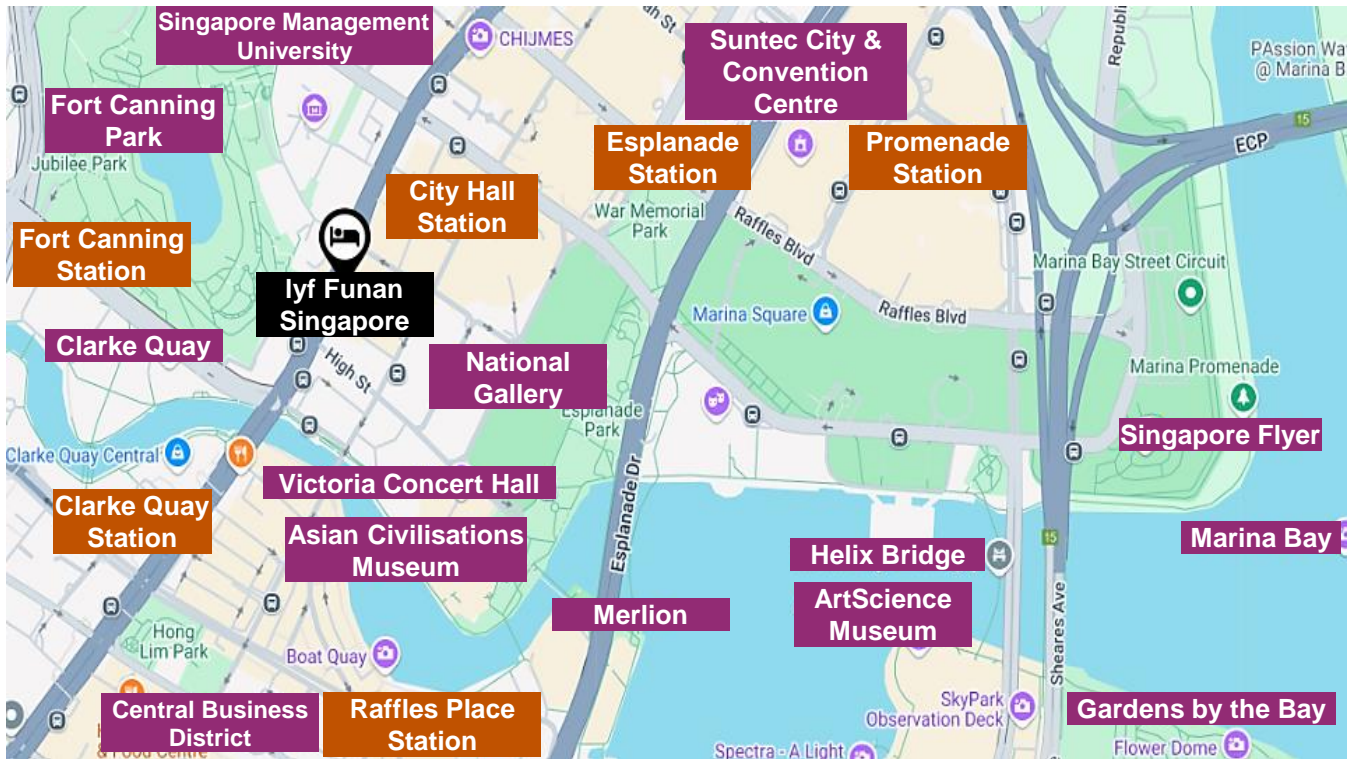


After the Proposed Acquisition, CLAS' proportion of total assets in Singapore is expected to increase from 16% to 19%

- Income contribution from Singapore balances the contribution from CLAS' overseas markets
- CLAS remains geographically diversified, with each of its key markets currently comprising no more than 20% of its total assets

3 Prime Asset in an Attractive Location

Close to Singapore's landmarks and attractions, and well-served by public transportation



Source: Google Maps

Legend: Landmark MRT Station

Located in the heart of Singapore's Civic District

- lyf Funan Singapore is in proximity to an array of business and entertainment attractions
- Surrounded by various iconic landmarks, including heritage sites and art galleries

Excellent connectivity to public transportation

- Direct underpass linking to City Hall MRT interchange station
- Within a five- to 12- minute walk to three other MRT stations, namely Clarke Quay MRT station, Esplanade MRT station and Fort Canning MRT station

3 Prime Asset in an Attractive Location

Supported by amenities within the integrated development

Part of Funan, an integrated development

- lyf Funan Singapore sits within Funan, an integrated development which reopened in 2019 after a redevelopment
- The experiential retail component offers lyf Funan Singapore's guests a plethora of shopping, dining and entertainment options while the office component drives corporate bookings to the property

Sustainable, green-certified property

- lyf Funan Singapore has a Green Mark Gold^{PLUS} certification by the Building and Construction Authority, in line with CLAS' target to green 100% of its portfolio by 2030
- The property was also awarded the Global Sustainable Tourism Council certification in 2024



4 Flagship lyf Property...

Operating on a flex-hybrid hotel-in-residence model, the lyf brand captures the demand for experience-led social living



Experience-led social living as seen in lyf (pronounced 'life'), focuses on fostering a sense of community through shared, dynamic experiences.

It goes beyond traditional housing by encouraging social interaction, collaboration, and engagement through community-driven spaces, events, and activities.

This approach enhances daily living with immersive experiences, promoting personal connections and social growth among residents.



Community + crew



Stay-work-play social spaces



#lyfgoesLOCAL



Design-centric hotel-in-residences

Flagship lyf property

- lyf Funan Singapore is the flagship property of The Ascott Limited's lyf (or 'live your freedom') brand
- The lyf brand is tailored for the next-generation traveller with its dynamic design, flexible spaces and well-curated programmes, connecting guests with the city, its people, and its culture
- Experience-led social living, which the lyf brand is synonymous with, has seen resilience and rising demand

4

...With Ability to Capture Wide Range of Demand

With a hotel licence, the property caters to both short and long stays

Flexibility to cater to short and extended stays

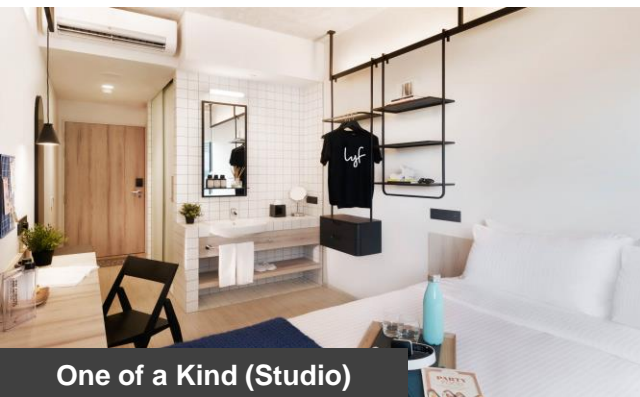
- The property's hotel licence allows it to cater to different guest profiles, including corporate and leisure travellers for a range of short to extended stays
- Room types range from studios, ideal for solo or duo travellers, to larger apartments accommodating up to nine guests, which are suitable for corporate project groups or larger families
- Corporate bookings currently make up about 15% of the total reservations for the four- and six-bedroom apartments

Surpassing performance of sub-market

- lyf Funan Singapore has achieved a strong average occupancy rate of more than 80%
- Testament to its excellent location, ability to cater to a wide range of demand and strong positioning, lyf Funan Singapore's performance surpassed that of comparable properties in its sub-market in 1H 2024¹
- CLAS' other lyf-branded property, lyf one-north Singapore, is also seeing robust demand with a similar average occupancy rate²

Notes:

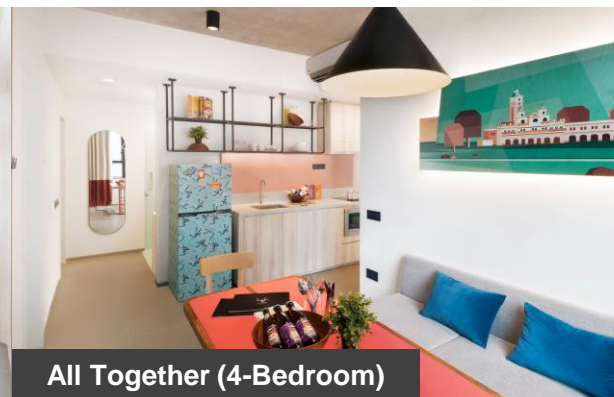
1. Source: Extracted from STR Database
2. For 1H 2024



One of a Kind (Studio)



All Together (2-Bedroom)



All Together (4-Bedroom)



All Together (6-Bedroom Duplex)

Conclusion



Key Takeaways

Delivering growth and enhancing returns through portfolio reconstitution

CLAS is poised for sustained growth



CLAS remains optimistic on the demand for lodging

Diversification and balanced mix of growth and stable income sources provide resilience



Portfolio reconstitution and AEs provide further capacity for growth



Underpinned by healthy financial position and disciplined approach in capital management

Rationale for & Benefits of Proposed Acquisition



Enhancing DPS through portfolio reconstitution

Increasing exposure to a key gateway city with favourable demand-supply dynamics

Prime asset in an attractive location

Flagship lyf property with the ability to capture a wide range of demand

For Stapled Securityholders' Approval

Ordinary Resolution

The Proposed Acquisition of 100.0% of the issued units in Victory SR Trust, which directly holds 100.0% of the interest in Iyf Funan Singapore, and entry into the Master Lease, as an interested person transaction

Advice of Independent Financial Adviser and Recommendation of Independent Directors

Advice of the Independent Financial Adviser – PricewaterhouseCoopers Corporate Finance Pte. Ltd.

- The Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

Recommendation of the Independent Directors and the Audit and Risk Committee of the REIT Manager

- The Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.
- Recommend that Stapled Securityholders vote in favour of the Resolution.
- All of the Independent Directors who hold Stapled Securities will be voting at the EGM in favour of the Resolution.

Thank You

