


ASCOTT RESIDENCE TRUST

A Member of CapitaLand

Ascott Residence Trust

Investor Presentation

June 2020

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Content

- Overview
- Portfolio Highlights
- Strategies
- 1Q 2020 Business Updates

Overview

Ascott Orchard Singapore

Ascott Residence Trust

A leading global hospitality trust

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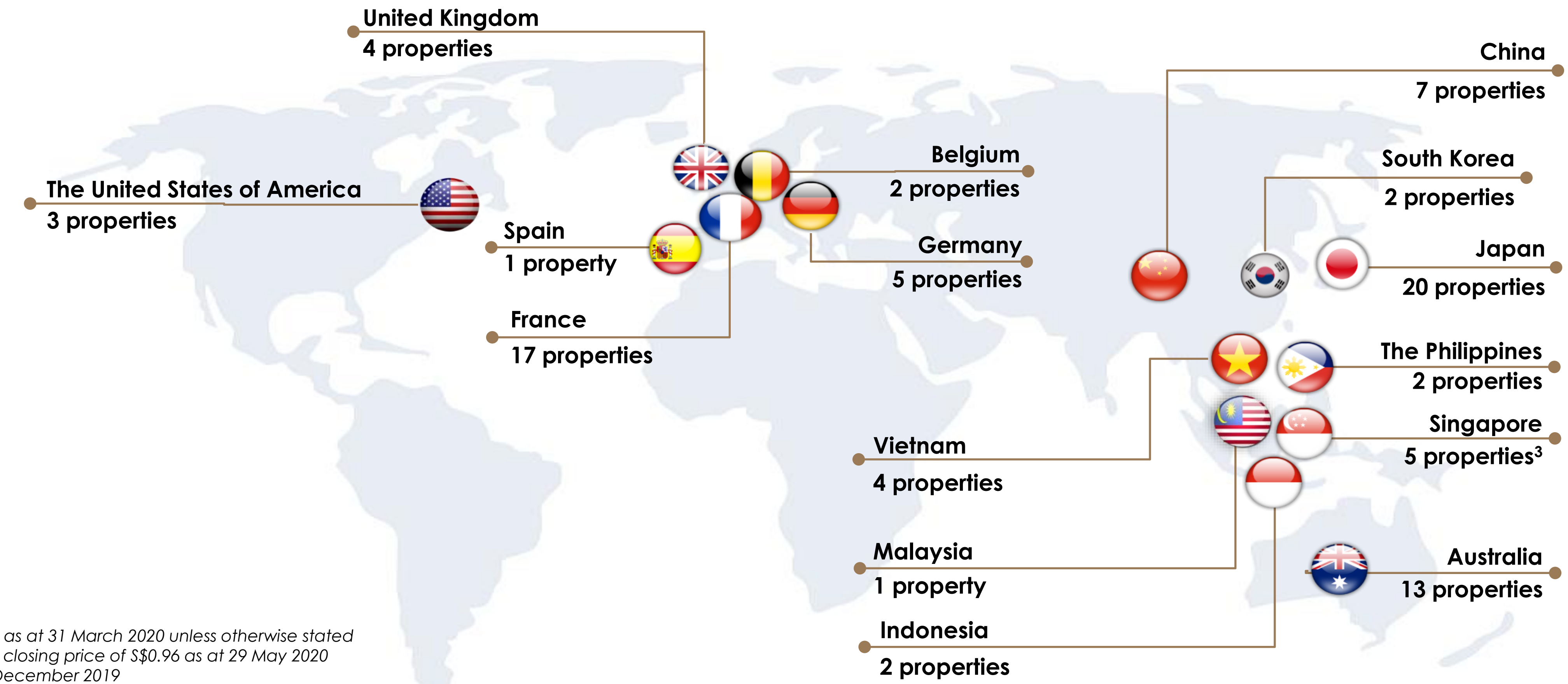
S$2.97b[1]
Market Capitalisation

S$7.4b[2]
Total Assets

>16,000[3]
Units

88[3]
Properties

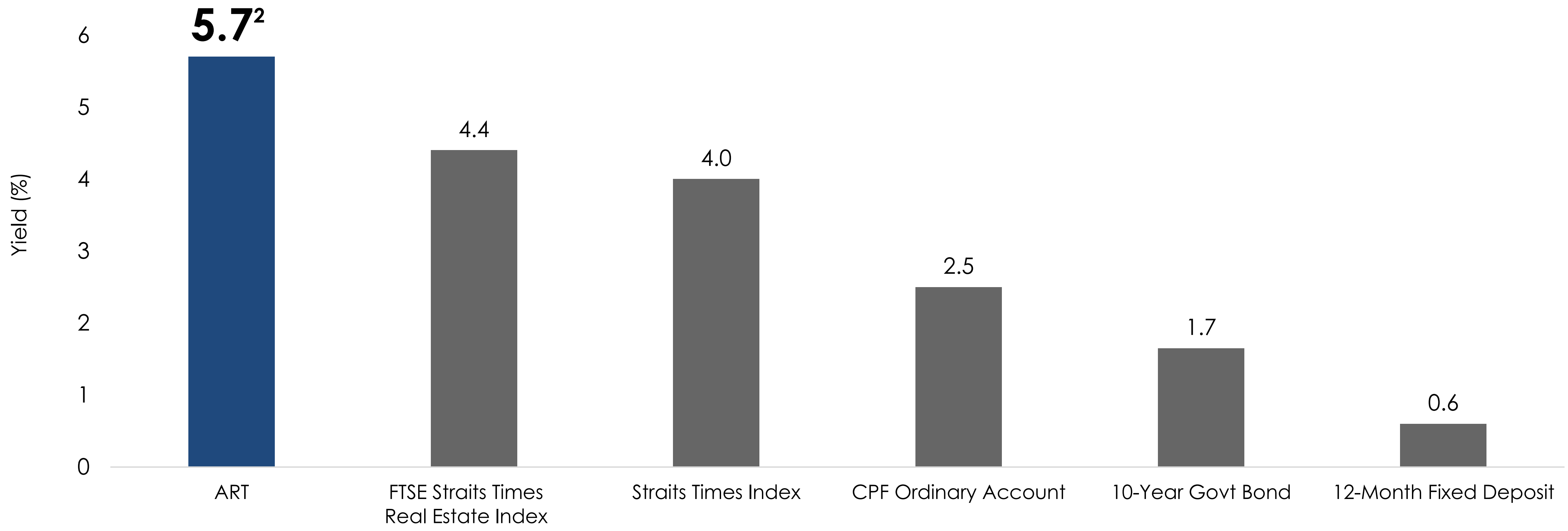
39
Cities in 15 Countries



Notes:
Figures above as at 31 March 2020 unless otherwise stated
1. *Based on closing price of S$0.96 as at 29 May 2020*
2. *As at 31 December 2019*
3. *Including lyf one-north Singapore (currently under development)*

Value Creation

Attractive average DPS yield of >6% from 2015 to 2019[1]



Total Unitholder Return Since IPO in 2006
> 300%[3]

Yield figures above as at December 2019 unless otherwise stated.
Sources: Central Provident Fund; Monetary Authority of Singapore; Bloomberg (trailing 12 month yield for FTSE Straits Times Real Estate Index and Straits Times Index)
1. *Based on a simple average of the past 5 years' DPS Yield*
2. *Computed based on ART's FY 2019 DPS of 7.61 cents and the closing unit price of S$1.33 as at 26 December 2019*
3. *Computation from Bloomberg and assumes reinvestment of distributions back into the security*

Key Features of ART

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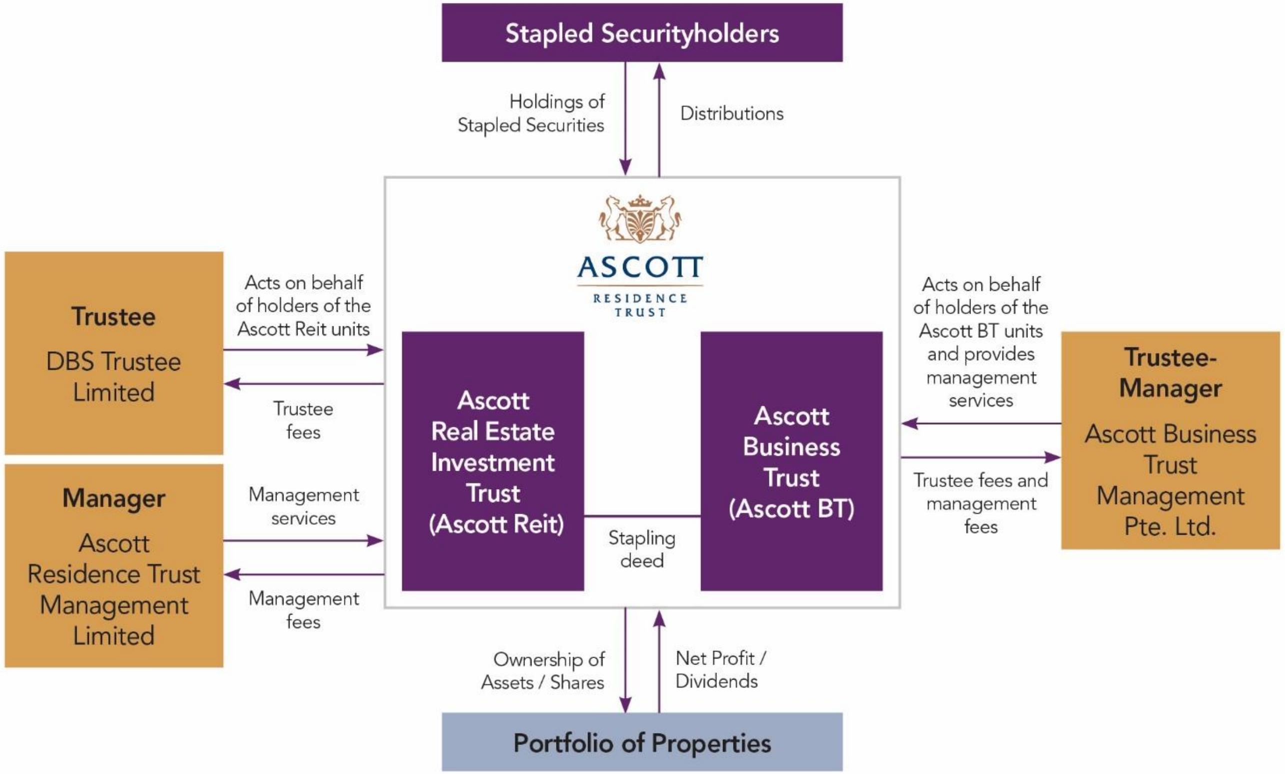
Structure	• Stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT)
Investment Mandate	• Invests primarily in real estate and real estate-related assets which are income-producing and which are used, or predominantly used, as serviced residences, rental housing properties and other hospitality assets in any country in the world
Leverage	• Based on regulatory requirements for S-REITs, Ascott Reit's aggregate leverage cannot exceed 50%[1] • As a stapled group, ART intends to comply with the aggregate leverage limit applicable to S-REITs • Historically, ART's aggregate leverage has been at approximately 34%-41%[2]
Minimum Distribution Payout Ratio	• Required to distribute at least 90% of its taxable income to qualify for the Inland Revenue Authority of Singapore tax transparency treatment for REITs • Since listing, **100%** of distributable income has been paid
Sponsor-aligned Interest	• CapitaLand Limited, Asia's largest diversified real estate group, is the parent company of The Ascott Limited, the Sponsor of ART • CapitaLand Group owns c.40% interest in ART
Corporate Governance	• Externally managed by Ascott Residence Trust Management Limited[3] (manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd.[3] (trustee-manager of Ascott Business Trust) – Majority of the boards are Independent Non-Executive Directors
Reporting	• Adopt announcement of half-yearly financial statements wef FY 2020 • Property valuation conducted on an annual basis wef FY 2020

Notes:
1. *Ascott Reit is governed by the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore.*
2. *Based on ART's gearing for financial years 2011 – 2019.*
3. *Wholly-owned subsidiaries of CapitaLand Limited.*

Structure of ART

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit), a real estate investment trust and Ascott Business Trust (Ascott BT), a business trust



Post-combination with Ascendas Hospitality Trust (**A-HTRUST**), ART now has a real estate investment trust (REIT) and an active business trust component where certain of its income is derived from non-passive income sources. Pursuant to the Monetary Authority of Singapore's Property Funds Appendix (PFA),a REIT should not derive more than 10% of its revenue from sources other than passive income sources. Accordingly, Ascott BT was established to hold such assets so as to facilitate compliance by ART with the PFA.

Portfolio Highlights

Sotetsu Grand Fresa Tokyo-Bay Ariake

Well-diversified Portfolio

No concentration risk with 88 properties located across 39 cities

Asia Pacific	68.2%
Japan	19.6%
Singapore	17.0%
Australia	13.3%
China	7.4%
Vietnam	3.7%
South Korea	2.6%
Philippines	2.4%
Indonesia	1.5%
Malaysia	0.7%

Europe	19.5%
UK	7.2%
France	7.0%
Germany	3.5%
Spain	0.9%
Belgium	0.9%

The Americas	12.3%
USA	12.3%

Range of product offering includes…

59 *Serviced Residences*

18 *Hotels / Business Hotels*

11 *Rental Housing*

…catering to long and short-stay, business and leisure guests

Note:
As at 31 March 2020

Well-diversified Portfolio

Predominantly long-stay guest profile catering to different market segments

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Guest Mix[1]

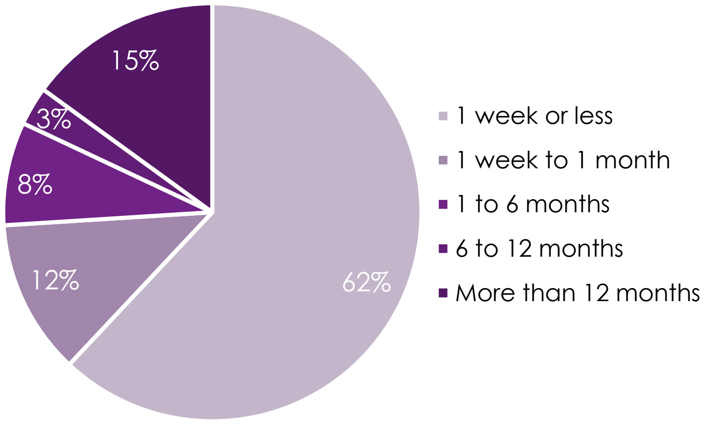
41% : 59%
corporate leisure

Valuable portfolio of properties with

59%
freehold[2]

Average Length of Stay[1]

3
months



Brands include…

ASCOTT THE RESIDENCE
citadines APART'HOTEL
citadines CONNECT
SOMERSET SERVICED RESIDENCE
QUEST APARTMENT HOTELS
The Crest Collection by The Ascott Limited
lyf

Pullman *Novotel* *Courtyard by Marriott* *Mercure* *ibis* *Park Hotel* *The Splaisir*
Sheraton *DoubleTree by Hilton* *Element Hotels* *WBF* *Sotetsu Grand Fresa*

Notes:
1. *Based on FY 2019 portfolio apartment rental income*
2. *Based on property values as at 31 December 2019*

Delivering Resilient Performance

Mix of stable and growth income

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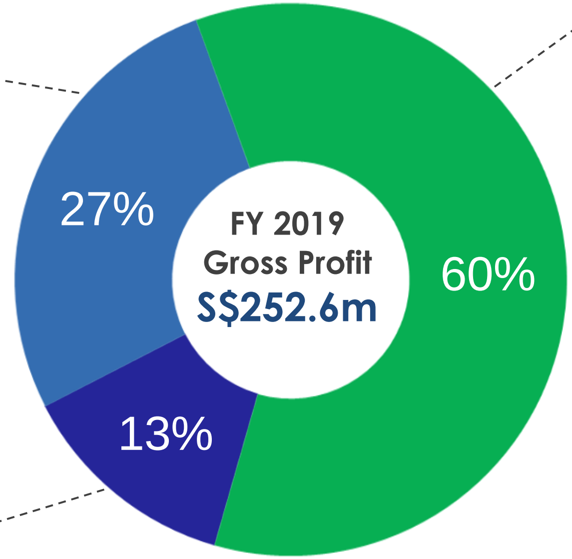
40% Stable

Master Leases	27%
France	***12%***
Germany	*6%*
Singapore	***6%***
Australia	***3%***

Management Contracts with Minimum Guaranteed Income	13%
United Kingdom	***9%***
Belgium	2%
Spain	2%



60% Growth

Management Contracts	60%
United States	***16%***
Japan	***12%***
Vietnam	***9%***
China	***8%***
Singapore	***5%***
Australia	***4%***
Philippines	4%
Indonesia	2%
Malaysia	<1%

8 key markets contributed approximately **84%** to total FY 2019 gross profit:

Australia (7%), China (8%), France (12%), Japan (12%), Singapore (11%), United Kingdom (9%), United States (16%) and Vietnam (9%)

Higher proportion of stable income (post Combination with A-HTRUST)

45% Stable : 55% Growth[1]

Note:
1. *Based on proforma FY 2019 gross profit (including portfolio of A-HTRUST)*

Delivering Resilient Performance

Mix of stable and growth income

	Stable Income		Growth Income
	35 **Master Leases** 22 leases with Sponsor	**7** **Management Contracts with Minimum Guaranteed Income** All Sponsor-operated	**45** **Management Contracts** 25 Sponsor-operated
Description	Fixed or minimum rental received from a single lessee	Minimum guaranteed income, with unlimited upside	Variable amount (no fixed or guaranteed rental)
Terms	• Some contracts provide for annual rental reversions pegged to indices while some include a variable rental	• Operator provides a minimum guaranteed net operating profit	• Management fees typically a percentage of gross operating revenue and incentive fees typically a percentage of gross operating profit
Location and Number of Properties	Sponsor: France(17), Germany(4), Singapore(1) Non-Sponsor: Australia(4), Japan (5), South Korea (2), Germany (1), Singapore(1)	Sponsor: United Kingdom(4), Belgium(2), Spain(1)	Sponsor: Australia(3), China(7), Indonesia(2), Japan(4), Malaysia(1), The Philippines(2), Singapore(2), Vietnam(4) Non-Sponsor: Australia (6), Japan (11), United States(3)

Note:
As at 31 March 2020 and excludes lyf one-north Singapore (under development)

Strategies

Citadines Connect Sydney Airport, Australia

Value Creation

Five pronged approach to deliver value

Vision:
To be the premier hospitality trust with quality assets in key global cities

Mission:
To deliver stable and sustainable returns to Stapled Securityholders

1. Growth

- Total assets **grew ninefold** since IPO to S$7.4 billion
- Completed milestone **combination** with **Ascendas Hospitality Trust**

2. Asset Management

- **RevPAU optimisation** & yield management
- **Asset Enhancement Initiatives**
- **Portfolio diversification**: geographical spread; product offering; contract types; etc
- Undertake **higher-yielding development / conversion projects**

3. Unlocking Value

- Generated **S$0.4b net gains**[1] **through divestments** and reinvested into higher-yielding assets

4. Capital and Risk Management

- **"BBB"** (stable outlook) **rating** by Fitch Ratings

5. Leveraging Sponsor

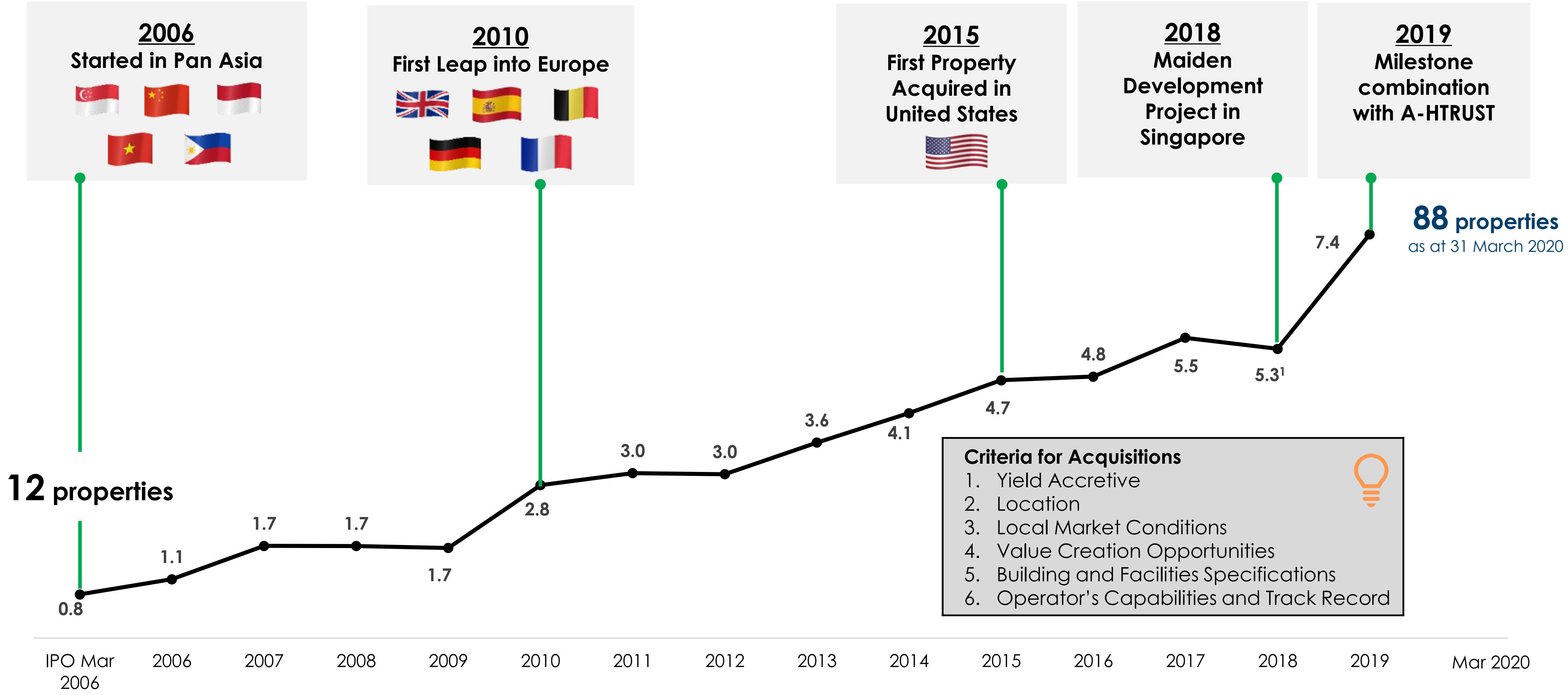
- Strong **brand recognition** and **global footprint**
- **Right of first refusal** and **pipeline** assets
- **Alignment** of Stapled Securityholder interests with ~40% stake[2]

Notes: Figures as at 31 December 2019

1. *Excludes the divestment of partial GFA of Somerset Liang Court Property Singapore, which is expected to complete in the second half of 2020.*
2. *Held through CapitaLand Group*

1 Several-fold Expansion since IPO

Total Assets (S$ billion)



Note:

1. *The decrease in total assets was due to the utilisation of the proceeds from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an on 5 January 2018 to repay bank loans*

1 Milestone Combination with Ascendas Hospitality Trust

Consolidating ART's position as the Proxy Hospitality Trust in Asia Pacific

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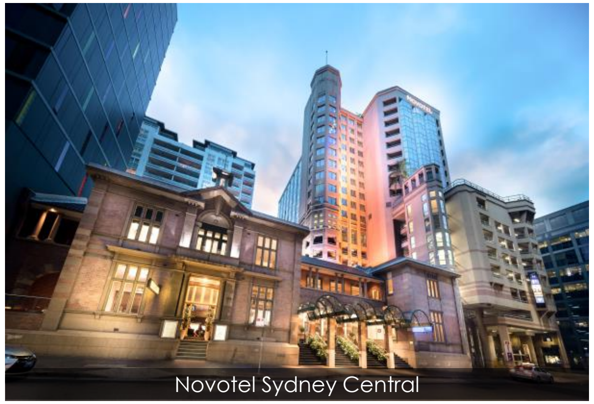
Adding 14 quality properties with over 4,700 units in 7 cities across Asia Pacific

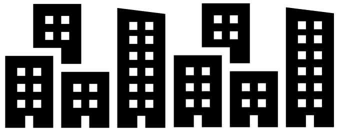
Japan	Singapore	Australia	South Korea
5 freehold properties under master leases	*1 leasehold property under master lease*	*6 freehold properties under management contracts*	*2 freehold properties under master leases*


Sotetsu Grand Fresa Tokyo-Bay Ariake


Park Hotel Clarke Quay


Novotel Sydney Central

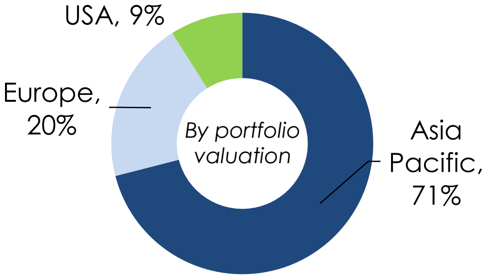

Sotetsu Hotels The Splaisir Seoul Dongdaemun



30% growth in asset size to **S$7.4 billion**

Increase in **freehold** and **stable income** *components*

Strengthened **Asia Pacific** presence by ***11%***



Note: Figures as at 31 December 2019

2 Development of lyf one-north Singapore

Purpose-built coliving property to appeal to the future traveller tribe

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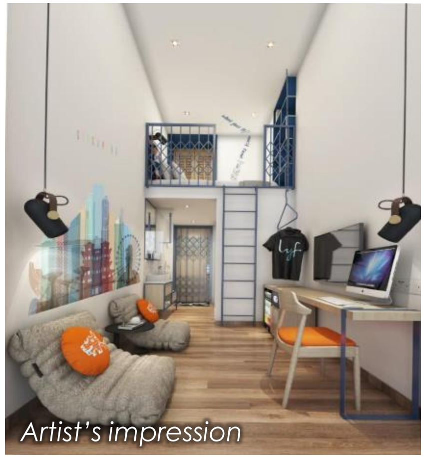
Coliving a rising trend in today's sharing economy amongst the **rising millennial-minded business traveller market**

lyf one-north Singapore, expected to **open in 2021**, incorporates 324 efficiently designed studio and loft units[1] and social spaces



Artist's impression

Artist's impression – Communal kitchen

one-north: **prime district** with **limited lodging supply** and home to **400 companies, 800 startups and 50,000 professionals[2]**

Attracting **over S$7 billion worth of investments[2]** and to be developed into a cluster of world class facilities and business parks

Notes:
1. *Subject to change*
2. *Source: JTC (2018)*

2 Redevelopment of Somerset Liang Court Singapore

Rejuvenation of an ageing property into a brand new serviced residence with fresh 99 year lease

Strengthen presence in the vibrant Clarke Quay enclave, benefiting from the Urban Redevelopment Authority's Draft Master Plan 2019 to revitalise the area

- **Divest** partial gross floor area (GFA) at **44% above book value** and **138% above acquisition price**
- **c.S$163 million divestment proceeds** to be collected in 2H 2020 upon completion of sale
- **Total net gains of S$84.3 million**
- Joins CDL-CapitaLand consortium to **redevelop retained GFA** into a **brand new Somerset serviced residence with hotel licence**
- **Refresh lease to 99 years** (from 57 years)
- **Opening in 1H 2025**, new property to incorporate 192 units with more efficient layout to cater to wider spectrum of guest profiles[1]
- Potential valuation upside after completion with **target EBITDA yield of c.4%[2] after stabilisation**

Notes:
15,170 sqm GFA divested and retained GFA of 13,034 sqm for redevelopment
1. *Expected opening date and property details are subject to change*
2. *Based on estimated property development expenditure of c.S$300 million*

2 Improving Property Competitiveness & Guest Satisfaction through Asset Enhancement Initiatives

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	Before	After

Element New York Times Square West
The United States of America

Completed 2Q 2019

Before:


After:


Somerset Grand Citra Jakarta
Indonesia

Completed 2Q 2019

Before:


After:


Criteria for Asset Enhancement Initiatives

1. Age of the Property
2. Market Outlook
3. Yield Accretion

3 Unlocking Value

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Generated …

S$0.4 billion of

Net Gains through divestments since IPO

Criteria for Divestment

1. Property Life Cycle
2. Market Conditions
3. Requirement for additional capital outlay

Note:
Net divestment gains above relate to approximately 11 transactions involving over 30 properties since listing to 31 December 2019. Excludes the divestment of partial GFA of Somerset Liang Court Property Singapore, which is expected to complete in the second half of 2020.

3 Active Portfolio Reconstitution in FY 2019

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1 Divestment of **Ascott Raffles Place Singapore**


Photo by Cheoh Wee Keat

- Divest at **64% above book value;** total net gains of **S$135.5 million**
- Exit yield of c.2%

2 Divestment of **Somerset West Lake Hanoi**

- Divest at **39% above property book value** by c.**S$5 million**[1]

3 Divestment of **Citadines Xinghai Suzhou** and **Citadines Zhuankou Wuhan**

- Signed agreements in December 2019 to divest at **>30% above combined property book values;** represents net gains of c.**S$21.2 million**
- 18% divestment proceeds (RMB90 million) collected[2]; completion of sale expected in 2H 2020

Unlocked net gains of > S$200 million[3] in FY 2019

Gains distributed to Stapled Securityholders and reinvested in higher yielding properties

Notes:
1. *Based on 100% stake. ART has an effective 70% stake in the property*
2. *As at 31 March 2020. Sales proceeds of RMB 90 million collected include non-refundable deposit of RMB 20 million*
3. *Includes net gains on divestment of partial GFA of Somerset Liang Court Property Singapore of S$84.3 million recorded in FY 2019*

4 Capital & Risk Management

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Strong Balance Sheet

Comfortable target gearing of approximately 40%

Prudent Capital Management

Diversified funding sources & proactive interest rate management

'BBB' long-term rating by Fitch Ratings with stable outlook

Balance Sheet Hedging

Natural hedging and swaps through foreign borrowings to match capital value of assets on a portfolio basis

Income Hedging

Hedging foreign currencies through forward contracts to protect distribution

4 Strong Financial & Cashflow Position

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Low gearing Well-staggered debt maturity Diversified sources of funds	Sufficient liquidity c.S$900 million in available funds	Robust financing flexibility
35.4% (~S$2.1 billon debt headroom[1]) **16%** Debt due in 2020 No foreseen issues in refinancing **64% : 36%** Bank Loans : MTNs	**S$300 million** Cash on-hand **S$425 million** Credit facilities available[2] **S$163 million** Cash proceeds from divestment[3]	**69%** of total property value unencumbered Interest cover **5.1X[4]** Low effective borrowing cost **1.8%** per annum **~81%** Total debt on fixed rates

'BBB'(stable outlook) rating by Fitch Ratings

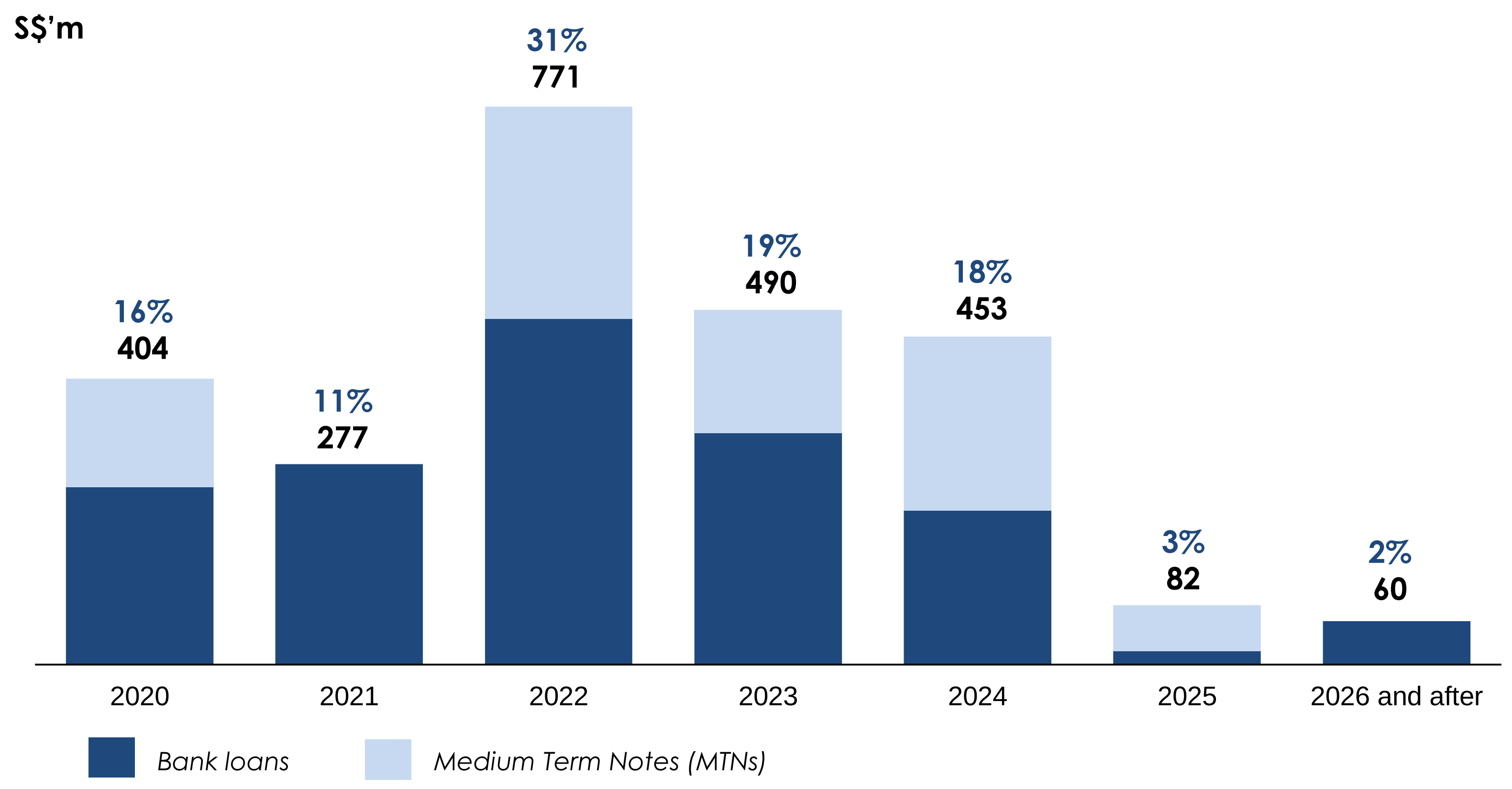
Notes: Figures above as at/for the quarter ended 31 March 2020. Computations exclude effects of FRS 116 Leases.

1. *Refers to the amount of additional debt before reaching aggregate leverage of 50%*
2. *Includes committed credit facilities amounting to approximately S$200 million*
3. *Refers to proceeds to be received from the completion of divestment of gross floor area in Somerset Liang Court Property Singapore expected in 2H 2020*
4. *Refers to the 12-month trailing interest cover*

Well Spread-out Debt Maturity Profile

No foreseen issues in refinancing debt due in 2020, lenders remain supportive

Diversified funding sources: Bank loans | MTNs | Perpetual securities



S$250 million
4.68% perpetual securities
(Distribution rate to be reset on first call date, 30 June 2020)

Successfully refinanced **S$150 million** perpetual securities at a **lower rate of 3.88% in FY 2019 (from 5%)**, resulting in **savings of c.$1.7 million annually**

Note: As at 31 March 2020

Strong Sponsor – The Ascott Limited

One of the leading international lodging owner-operators

5

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>113,000
Serviced residence & hotel units
Includes units under development

>700
Properties

>180
Cities

>30
Countries

>30 year track record

Award-winning brands with worldwide recognition

Strong alignment of interests
c.40% sponsor stake[1] in ART

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

Awards and Accolades

Highly coveted accolades awarded in past 3 years

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Asia Pacific Best of the Breeds REITs Awards™ 2018 & 2019

Best Hospitality REIT (Platinum award)

Asia Pacific Best of the Breeds REITs AWARDS™

SIAS Investors' Choice Awards 2019

SIAS INVESTORS' CHOICE AWARDS

Runner-up for Singapore Corporate Governance Award

Runner-up for Most Transparent Company Award

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX (SGTI)

Singapore Governance and Transparency Index 2018 & 2019

Ranked 3rd out of 43 Trusts

Green Awards in 2020

lyf one-north Singapore obtained **BCA Green Mark Goldplus**

BCA GREEN MARK

Somerset Grand Hanoi awarded **EDGE Green Certification**

World Travel Awards 2019

Accorded accolades for **Leading Serviced Apartments 2019**

Belgium's Leading Serviced Apartments 2019: **Citadines Sainte-Catherine Brussels**

Germany's Leading Serviced Apartments 2019: **Citadines Arnulfpark Munich**

Spain's Leading Serviced Apartments 2019: **Citadines Ramblas Barcelona**

Asia's Leading Serviced Apartments 2019**: Ascott Jakarta**

Japan's Leading Serviced Apartments 2019**: Citadines Shinjku Tokyo**

WORLD TRAVEL AWARDS

TripAdvisor Awards 2019

> 20 properties[1] conferred the Certificate of Excellence Award 2019

2019 CERTIFICATE of EXCELLENCE tripadvisor

Note:
1. Refer to https://www.the-ascott.com/en/tripadvisor_awards_2019.html for the full list of properties

1Q 2020 Business Updates

Somerset Grand Central Dalian

Challenged by Global Pandemic

Lower occupancies due to COVID-19, cushioned by long stays

- **1Q 2020 portfolio revenue per available unit (“RevPAU”) declined 23% y-o-y to S$103[1]**
  - Average portfolio occupancy significantly lower but above breakeven level
  - Average daily rates relatively stable
- **Properties with long stays impacted to a lesser extent compared to those catering to transient travellers**
- **18 properties temporarily closed[2]** due to government mandate or to optimise resources

Mitigated by stable income sources, alternative sources of business and cost containment measures

- **Degree of stability from master leases and management contracts with minimum guaranteed income**
  - Maiden contribution from Quest Macquarie Park Sydney, a property under master lease, w.e.f. February 2020
- **Pursuing alternative sources of revenue**
  - Providing accommodation for those on self-isolation, healthcare personnel on the frontline, workers looking for alternate work-from-home locations and workers affected by border shutdown
- **Comprehensive cost containment measures**
  - Managing staff costs, overheads and discretionary expenditure
  - Government support measures to defray some costs
- **Finding a middle ground and navigating challenges with lessees and operators**

Notes:
1. Portfolio RevPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income
2. As at 30 April 2020. Comprising 11 properties in France, 4 in Japan, 1 each in Belgium, Spain and South Korea

Healthy Balance Sheet to Tide Over the Downturn

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Firm financial footing to weather the challenges

- **Stronger financial position post-combination with A-HTRUST**
  - Low gearing at 35.4%, with debt headroom[1] of S$1.25 billion to 45% and S$2.10 billion to 50%
  - Well-staggered debt maturity profile
  - Ongoing negotiations to refinance debt maturing in 2020; lenders remain supportive
- **Adequate liquidity**

Close to S$900 million of available funding				
S$300 million Cash on hand	+	S$163 million Divestment proceeds[2]	+	S$425 million Credit facilities[3]

- **Lower financing costs y-o-y; 81% of debt on fixed interest rates**
- **Deferral of uncommitted discretionary capital expenditure**
  - Deferral of refurbishment of DoubleTree by Hilton Hotel New York – Times Square South, originally planned to be carried out in 2020
- **2020 funding for committed development projects** (i.e. lyf one-north Singapore and Somerset Liang Court Property Singapore) **amounting to c.S$ 90 million**

Notes:
Figures as at 31 March 2020, unless otherwise stated
1. *Refers to the amount of additional debt before reaching aggregate leverage limit*
2. *Refers to proceeds to be received from the completion of divestment of gross floor area in Somerset Liang Court Property Singapore expected in 2H 2020*
3. *Includes committed credit facilities amounting to approximately S$200 million*

1Q 2020
Business Updates

- Key Market Highlights

Citadines Tour Eiffel Paris, France

Australia

Occupancies under pressure with stricter movement controls

Quest Macquarie Park Sydney

4
master leases

9
management contracts

13%
of total assets

- Maiden contributions from 6 A-HTRUST properties w.e.f. 1 January 2020
- Acquisition of Quest Macquarie Park Sydney, a freehold property under master lease, completed in February 2020

AUD 115[1]

28% lower y-o-y RevPAU

Occupancies fell in March 2020 when Australia banned entry of all non-residents and closed various state borders, and **expected to remain soft in 2Q 2020**

- Lower RevPAU was also due to the acquisition of Citadines Connect Sydney Airport and the A-HTRUST properties in 2019, which have lower RevPAU
- **Temporary closure of rooms** in properties with low occupancies
- **MICE facilities suspended** and **F&B operations limited** to take-away and delivery
- Pursuing **alternative sources of business** – accommodation for self-isolation and alternative work-from-home options

- COVID-19 impact mitigated by **government support** (e.g. cashflow assistance, wage support, etc.)
- While Australian government's support to reinstate some domestic flight routes could **see a return in domestic demand for accommodation**, the pace of **recovery could be gradual**
- **Occupancies in 2Q 2020 expected to remain low, placing lessees and operators under strain**

Note:
1. *Pertains to the properties under management contracts only*

China

Return of domestic demand as movement restrictions ease

Somerset Xu Hui Shanghai

Somerset Olympic Tower Property Tianjin

7
management contracts

7%
of total assets

- Divestment of Citadines Xinghai Suzhou & Citadines Zhuankou Wuhan expected to complete in 2H 2020. 18% (RMB 90 million) of sales proceeds collected to date, which includes non-refundable deposit of RMB 20 million

RMB 310
31% lower y-o-y RevPAU

Occupancies of properties in **first-tier cities resilient**, supported by long-staying guests

Achieved **portfolio occupancy of mid-50%**

- Operations substantially scaled down at Citadines Zhuankou Wuhan during the height of the epidemic. **Full operations have since resumed**
- **Most of the commercial spaces** in ART's China properties have **resumed operations**
- COVID-19 impact mitigated by **government support** (e.g. tax, insurance, rental and utilities rebates/credits)
- STR observed that **midscale and economy hotels are driving the recovery** of the China lodging market[1]
- **Early signs of normalcy returning to China** with the relaxation of lockdown measures and resumption of major events
- With foreign visitors still prohibited from entering China, the **recovery in international travel and corporate demand could lag that of domestic travel and leisure demand**

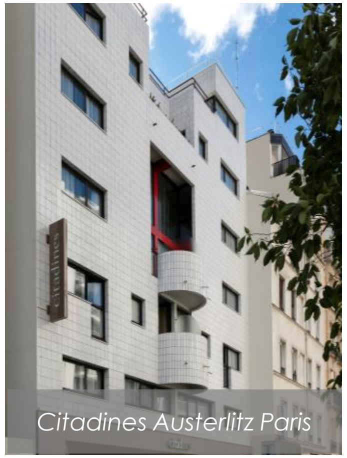
Note:
1. Source: STR

France

Stable income from fixed rents

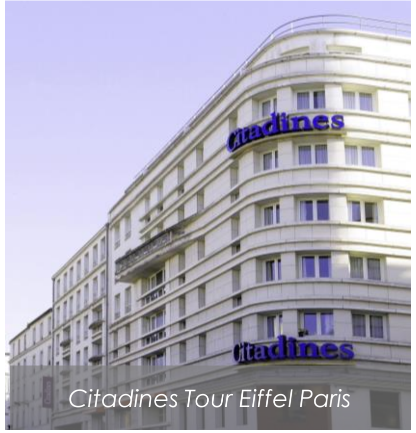
17
master leases

7%
of total assets



Citadines Austerlitz Paris

Citadines Les Halles Paris



Citadines Tour Eiffel Paris

- In support of healthcare workers during these trying times, complimentary stays have been extended to medical staff working in Paris and regional France

1Q 2020 contributions remained resilient as earnings protected by fixed rents under master lease arrangements

Country locked down since mid-March 2020, **accommodation demand expected to be adversely impacted in 2Q 2020**

- Although not mandated, **most hotels in Paris are closed** due to soft accommodation demand
- **Temporary closure of 11[1] ART properties and consolidation of operations** across France due to low occupancy and to optimise resources
- **Mitigation efforts** include alternative business leads – supporting accommodation needs of medical workers in Paris and Marseille
- Wage and tax support from the French government to defray operating costs
- **France may ease restrictions in May 2020** but could reinstate measures should there be a resurgence in the spread of the virus
- A protracted pandemic adversely impacting accommodation demand may put a **strain on master lessees**

Note:
1. As at 30 April 2020

Japan

Challenging operating environment to persist into 2Q 2020

4 serviced residences **11** rental housing

management contacts


Citadines Shinjuku Tokyo


Big Palace Kita 14jo

5 hotels

master leases

- Maiden contributions from 5 A-HTRUST properties (under master leases) w.e.f. 1 January 2020


Sotetsu Grand Fresa Osaka-Namba

20% of total assets

JPY 7,008[1]

37% lower y-o-y RevPAU

Weaker occupancies at properties catering to **leisure & transient segment**

Rental housing occupancies remained at over 90%, income remains resilient

- **Absence of leisure and transient travellers**
  - **Nationwide state of emergency** declared in mid April 2020, allowing prefecture governors to shut non-essential businesses
  - **Closure of tourist attractions** e.g. Universal Studios Japan, Tokyo Disneyland
  - **Disruption of major events** e.g. Tokyo Olympics 2020, originally scheduled for July 2020 postponed to 2021

- Occupancies at properties catering to leisure and transient guests adversely affected
- **Rental housing portfolio**, catering to local Japanese residents, **continues to contribute resilient income**
- Japanese government announced JPY117 trillion COVID-19 emergency budget to assist businesses and citizens

Note:
1. *Pertains to the serviced residences under management contracts only*

Japan (cont'd)

Lessees and operators under pressure as accommodation demand falls

4 serviced residences **11 rental housing**

management contacts

Citadines Shinjuku Tokyo

Big Palace Kita 14jo

5 hotels

master leases

- Maiden contributions from 5 A-HTRUST properties (under master leases) w.e.f. 1 January 2020

Sotetsu Grand Fresa Osaka-Namba

20% of total assets

- Due to low occupancies, **4 ART properties are temporarily closed**
  - 1 in Tokyo and 1 in Kyoto, both under management contracts and mainly catering to tourists
  - 2 properties in Osaka, master-leased to WBF Hotel & Resorts ("WBF") – *see below*

- **WBF, master lessee to 3 ART properties, filed for civil rehabilitation on 27 April 2020**
  - Hotel WBF Hommachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West are all located in Osaka
  - **c.1.8% of ART's portfolio valuation** as at 31 December 2019
  - Under the proceedings, WBF may choose to continue or terminate the master leases
  - **Mitigants**
    - **Rent up to April 2020 has been received for all 3 properties** (JPY 167.7 million[1] of full-year rent of JPY 0.5 billion[1])
    - **3 months' rent in security deposits held in escrow**
    - **ART has initiated discussions with various operators**, including Sponsor, The Ascott Limited, to take over operations, if necessary

Note:
1. *Approximately S$2.2 million of full-year rent of S$6.7 million, based on JPY:SGD exchange rate of 0.01327*

Singapore

Seeking alternative sources of business

Park Hotel Clarke Quay

- Maiden contribution from Park Hotel Clarke Quay ("PHCQ") w.e.f. 1 January 2020

2 master leases

2 management contracts

17% of total assets

- lyf one-north Singapore on track to open in 2021 despite temporary suspension of construction works during "Circuit Breaker"
- Divestment of partial gross floor area at Somerset Liang Court Property Singapore ("SLC") expected to complete in 2H 2020

S$140[1]

30% lower y-o-y RevPAU

Income supported by **fixed rents and alternative business opportunities** - offering accommodation to those on self-isolation and Malaysians affected by the border shutdown

- Lower RevPAU was also due to gradual winding down of operations at SLC in preparation of redevelopment
- In late March 2020, Singapore **restricted the entry of foreign visitors**
- Since early April 2020, a "Circuit Breaker" was imposed, mandating the closure of non-essential services and **limiting the type of stays in hotels and serviced residences**

- Actively pursued **alternative business leads, supporting occupancies through April 2020**
  - **SLC and PHCQ block booked as government quarantine facilities**
  - Other properties housing those on self-isolation and Malaysians affected by border shutdown
  - **Average occupancy of c.80%**[1] **in April 2020**
- COVID-19 impact mitigated by **government support** (e.g. property tax rebates and wage support credits)

Notes:
Number of properties excludes lyf one-north Singapore, which is under-development
1. Pertains to properties under management contracts only, namely SLC and Citadines Mount Sophia Singapore

United Kingdom

Growing pressure from possible lockdown extension

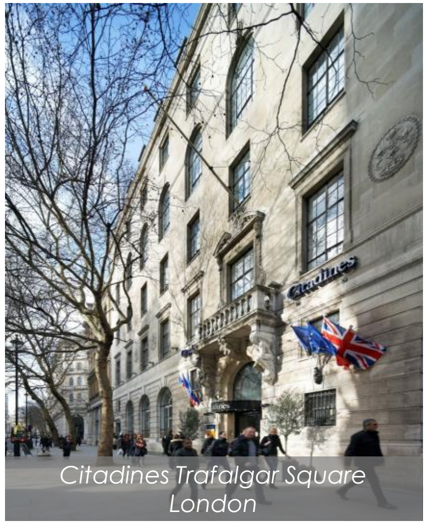
Citadines South Kensington London

4

management contracts with minimum guaranteed income

7%

of total assets



Citadines Trafalgar Square London

GBP 101

15% lower y-o-y RevPAU

Occupancies dipped in March 2020 when the UK was placed on lockdown

Minimum guaranteed income provides some **downside protection** to earnings

- **Hotels and serviced residences** classified as non-essential services and **mandated to close** by the government when the lockdown began in late March
- **However, ART's properties remain operational** to serve existing long-stay guests
- **Alternative sources of business are pursued** – providing accommodation for healthcare workers
- **Cost containment measures** to reduce overheads
- COVID-19 impact mitigated by **government support** (e.g. in the form of property tax rebates)
- **Potential extension of the lockdown presents uncertainty** as the government reviews its lockdown measures every 3 weeks

United States

Transient demand adversely impacted following travel bans

Element New York Times Square West

3
management contracts

12%
of total assets

- Planned renovation of DoubleTree by Hilton Hotel New York – Times Square South ("DTNY") deferred to conserve cash

USD 109
22% lower y-o-y RevPAU

Decline in occupancies since March 2020 mainly due to **fall in leisure and transient stays**

2Q 2020 to remain challenging if infections in the US continue to rise unabated

- Although places of accommodation are deemed to be essential and can continue to operate, **many hotels in New York City have closed due to weak demand**
- All ART properties **remain operational**, and have captured **business through alternative channels** to mitigate the drop in traditional market drivers –
  - DTNY **housing personnel managing the temporary hospital** at the nearby Jacob K. Javits Convention Center
  - Sheraton Tribeca New York Hotel and Element New York Times Square West providing accommodation to **healthcare employees** and **COVID-19 responders**
- COVID-19 impact mitigated by government support
- Easing of lockdown measures could commence in early May 2020 for some states. However, accommodation demand may remain weak if infection rate does not improve

Vietnam

Occupancies supported by long-stay corporate guests

Somerset Chancellor Court Ho Chi Minh City

4

management contracts

4%

of total assets

VND 1,280

('000)

20% lower y-o-y RevPAU

1Q 2020 portfolio occupancy at 70%, **supported by long stay, corporate segment**

Expect further pressure in 2Q 2020 as corporate demand remains soft

- Inbound flights halted; domestic flights reduced; non-essential services temporarily suspended
- **Major international events postponed**
  - Inaugural Hanoi F1 Grand Prix originally scheduled to be held in April 2020
  - ASEAN summit deferred from early April 2020 to end June 2020

- While other hotels in Vietnam have closed due to a decline in tourists, **ART's properties remain operational**
- **Demand for lodging** expected to be **leisure-driven** following **easing of lockdown measures**
- **ART properties to be under pressure in coming months** due to fewer project groups, softer corporate demand and shorter bookings

1Q 2020
Business Updates

- The View Ahead

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

The View Ahead

2Q 2020 to remain challenging but confident of long-term growth

ASCOTT RESIDENCE TRUST
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Financial performance to be adversely impacted, but full impact cannot be ascertained yet

- Performance of key markets such as Australia, Japan, Europe and USA expected to be soft in 2Q 2020, potentially impacting property valuations
- Finding a middle ground and navigating challenges as lessees and operators face pressure
- Continue to pursue alternative business opportunities
- Leveraging operational expertise of Sponsor, The Ascott Limited
- Long stays to offer some resilience in occupancy
- Early signs of normalcy and domestic demand returning in China

Strong financial position and disciplined capital management to tide over the challenge

- Strong credit metrics and sufficient liquidity
- Conserve cash and defer uncommitted discretionary expenditure
- “BBB” with Stable Outlook rating by Fitch Ratings
- May exercise prudence in review of distribution payout

The View Ahead

Sunnier days ahead, post COVID-19

Positive on longer-term prospects of the hospitality sector

- Resilient and diversified portfolio, supported by strong Sponsor
- Accommodative government and monetary policy to support economic recovery post COVID-19
- Historically, tourism has shown unparalleled ability to recover from crisis and proven to be a key driver of international recovery[1]
- Domestic demand and midscale segment could drive lodging recovery globally, as evidenced in China[2]

Notes:
1. *Source: UNWTO*
2. *Source: STR*




Thank you

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