

ASCOTT
RESIDENCE TRUST
A Member of CapitaLand

Ascott Residence Trust

3Q 2019 Financial Results

30 October 2019

Important Notice

The value of units in Ascott Residence Trust ("Ascott REIT") (the "Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott REIT (the "Manager") or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott REIT is not necessarily indicative of its future performance.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Unitholders of Ascott REIT (the "Unitholders") have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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- Key Highlights of 3Q 2019
- Portfolio Overview
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- Key Country Updates
- Looking Forward
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  - Combination of Ascott Reit and Ascendas Hospitality Trust

  - Value Creation Strategies

  - Other Information

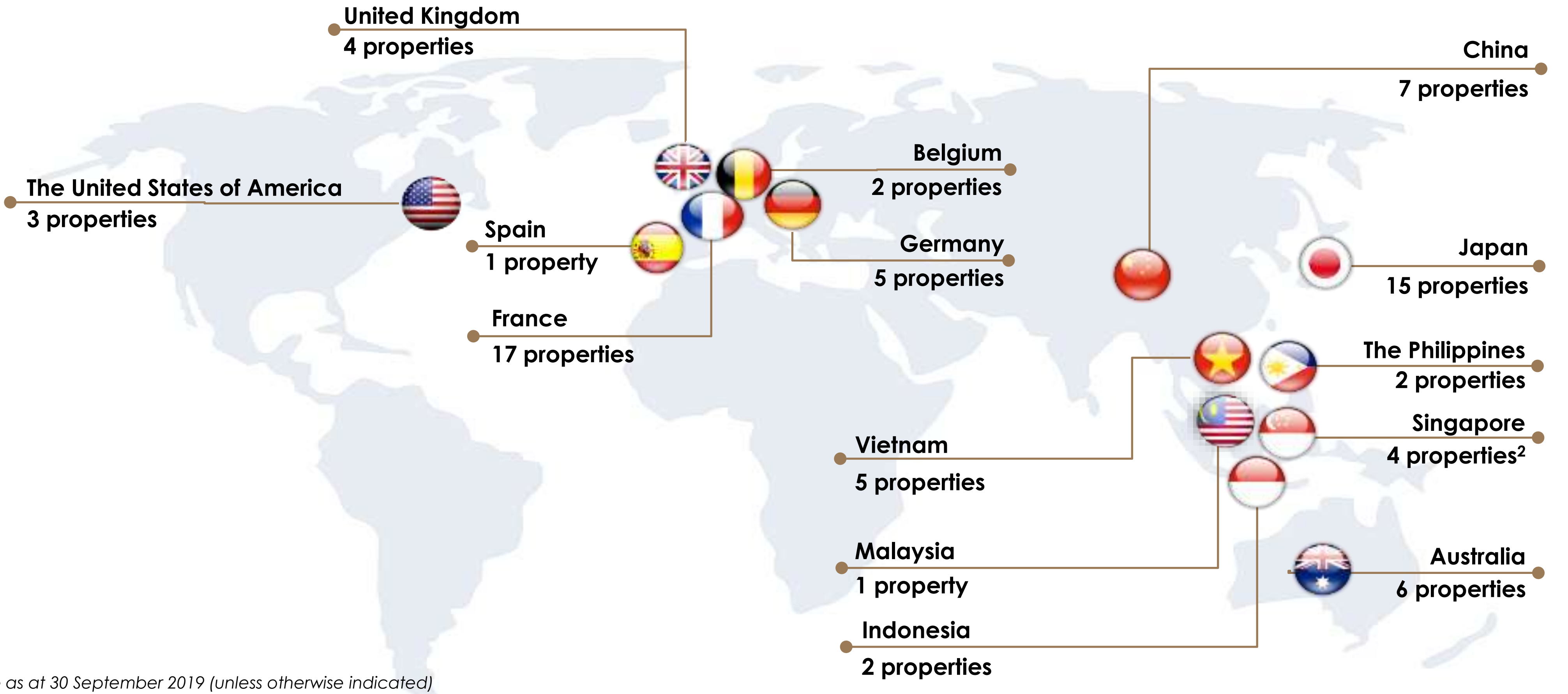
Key Highlights of 3Q 2019

Ascott Orchard Singapore

Ascott Reit – A Leading Global Hospitality REIT

Well-diversified portfolio of quality hospitality assets located in major gateway cities

S$3.1b[1]	S$5.7b	>11,700[2]	74[2]	37
Market Capitalisation	Total Assets	Apartment Units	Properties	Cities in 14 Countries



Notes:
Figures above as at 30 September 2019 (unless otherwise indicated)
1. *Based on closing unit price of S$1.42 as at 29 October 2019*
2. *Including lyf one-north Singapore (currently under development)*

Key Highlights – 3Q 2019

ASCOTT RESIDENCE TRUST
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Revenue	Gross Profit	RevPAU	DPU
▼ 2% Y-o-Y	▲ 1%[1] Y-o-Y	▼ 2% Y-o-Y	▲ 5% Y-o-Y

- **Diversified portfolio for income resilience**
  - Stronger performance from Belgium, Spain, Singapore, UK and Vietnam
  - Softer performance in Australia, China, Japan and USA
  - RevPAU decreased mainly due to weaker exchange rates
- **Active portfolio reconstitution provides enhanced returns to unitholders**
  - Revenue and gross profit decline mainly due to divestment of Ascott Raffles Place Singapore ("ARPS")
  - Partial distribution of S$4.0 million ARPS divestment gain (of S$135.0 million) to replace loss of income
- **Proactive capital management**
  - Lower financing costs
  - Debt headroom of about S$1.1 billion[2] for yield-accretive investments

Ascott Orchard Singapore


Citadines Toison d'Or Brussels


Citadines Ramblas Barcelona


Citadines Barbican London

Notes:
1. Excluding FRS 116 adjustments, gross profit for 3Q 2019 will be 7% lower y-o-y.
2. Refers to the amount of additional debt before reaching aggregate leverage limit of 45% set by MAS

Key Highlights – 3Q 2019

Commitment to governance

Asia Pacific Best of the Breeds REITs Awards 2019 – **Best Hospitality REIT (Platinum)**

Runner-up for **Singapore Corporate Governance Award** & **Most Transparent Company Award** at *SIAS 20th Investors' Choice Awards 2019*

Ranked 3rd in **the Singapore Governance and Transparency Index 2019** (REIT and Business Trust Category)

Proactive capital management

New tranche of S$150 million perpetual securities at a **lower rate of 3.88% p.a.**

To redeem

S$150 million **5% p.a.** perpetual securities called on 27 October 2019

Estimated savings of about **S$1.7 million p.a.**

Combination with Ascendas Hospitality Trust

Secured resounding approval from unitholders, **on track for completion by end 2019**

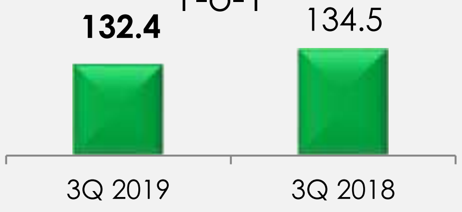
Financial Highlights

(3Q 2019 vs 3Q 2018)

Lower revenue mainly due to divestment of Ascott Raffles Place Singapore

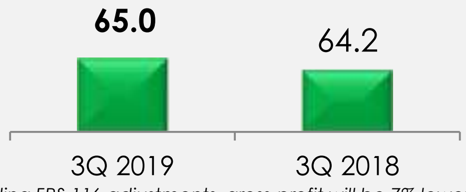
Revenue (S$m)

▼ **2%** Y-o-Y



Gross Profit (S$m)

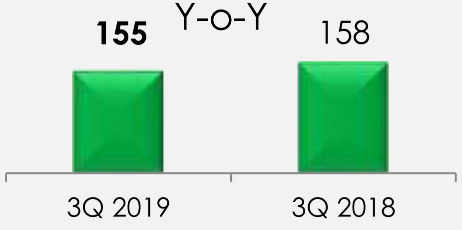
▲ **1%** Y-o-Y



Excluding FRS 116 adjustments, gross profit will be 7% lower y-o-y

Revenue Per Available Unit (S$)

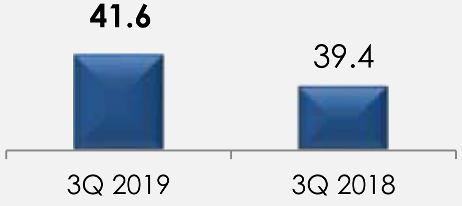
▼ **2%** Y-o-Y



Higher unitholders' distribution due to lower finance costs and distribution of divestment gain

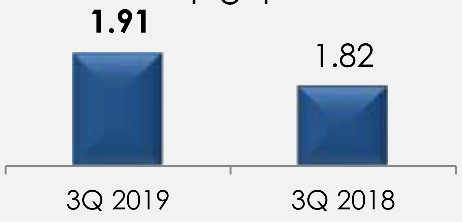
Unitholders' Distribution (S$m)

▲ **6%** Y-o-Y



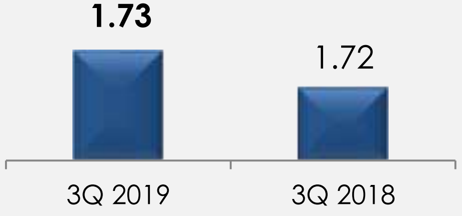
Distribution Per Unit (S cents)

▲ **5%** Y-o-Y



Adjusted Distribution Per Unit[1] (S cents)

▲ **1%** Y-o-Y



Note:

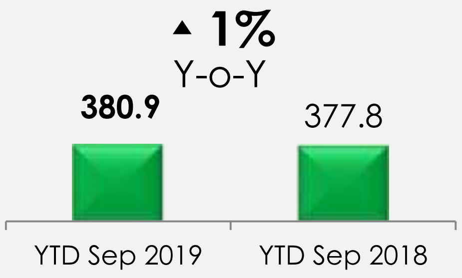
1. *DPU for 3Q 2019 was adjusted to exclude the partial distribution of divestment gain and DPU for 3Q 2018 was adjusted to exclude the contribution from Ascott Raffles Place Singapore.*

Financial Highlights

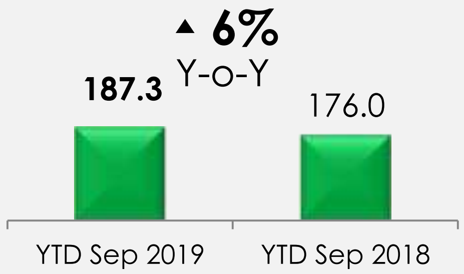
(YTD Sep 2019 vs YTD Sep 2018)

Higher revenue from stronger operating performance from properties in Europe

Revenue (S$m)

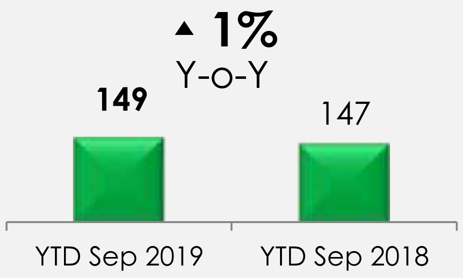


Gross Profit (S$m)



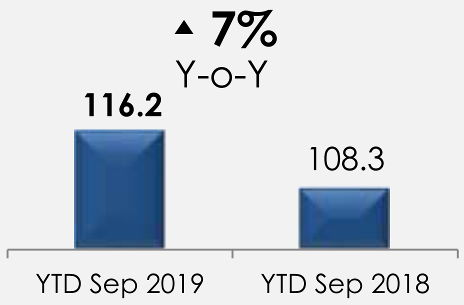
Excluding FRS 116 adjustments, gross profit will be 2% lower y-o-y

Revenue Per Available Unit (S$)

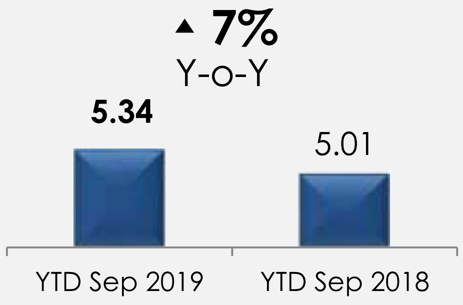


Higher unitholders' distribution due to lower finance costs, one-off realised exchange gain and distribution of divestment gain

Unitholders' Distribution (S$m)



Distribution Per Unit (S cents)



Adjusted Distribution Per Unit[1] (S cents)

Notes:

1. *DPU for YTD September 2019 was adjusted to exclude the divestment gain, realised exchange gain and contribution from Ascott Raffles Place Singapore. DPU for YTD September 2018 was adjusted to exclude the realised exchange gain and contribution from Ascott Raffles Place Singapore.*

Revenue and Gross Profit by Contract Type

(3Q 2019 vs 3Q 2018)

Stronger contribution from properties in Europe, partially offset by the loss of income arising from divestment of Ascott Raffles Place Singapore

		Revenue (S$'mil)			Gross Profit (S$'mil)			RevPAU (S$)		
		3Q 2019	3Q 2018	% Change	3Q 2019	3Q 2018	% Change	3Q 2019	3Q 2018	% Change
Stable Income	Master Leases	18.2	20.8	(13)	16.4	18.7	(12)	-	-	-
Stable Income	MCMGI[1]	21.8	20.8	5	10.0	9.4	6	211	198	7
Growth Income	Management Contracts	92.4	92.9	(1)	38.6	36.1	7	145	150	(3)
	Total 73 Properties[2]	132.4	134.5	(2)	65.0	64.2	1	155	158	(2)

- **Master Leases:** Lower revenue and gross profit mainly due to divestment of Ascott Raffles Place Singapore, lower rent upon renewal of certain French master leases and weaker AUD and EUR
- **MCMGI:** Higher revenue and gross profit due to stronger performance from UK, Belgium and Spain, partially offset by weaker GBP and EUR
- **Management Contracts:** Lower revenue mainly due to softer corporate demand in the regional cities in China, lower contribution from the rental housing properties in Japan and lower revenue from USA due to competition from new supply

Notes:
1. *MGMGI refers to Management Contracts with Minimum Guaranteed Income*
2. *Relates to operating properties only and excludes lyf one-north Singapore (under development)*

Key Markets Performance

		Gross Profit (LC'mil)			RevPAU (LC)			
		3Q 2019	3Q 2018	% Change	3Q 2019	3Q 2018	% Change	Key Reason for Change
Stable Income	Australia (AUD)	1.8	1.8	-	-	-	-	-
Stable Income	France (EUR)	5.1	5.2	(2)	-	-	-	• Renewal of certain master leases at lower rents
Stable Income	Singapore (SGD)	3.4	5.1	(33)	-	-	-	• Divestment of Ascott Raffles Place Singapore partially mitigated by stronger corporate and leisure demand at Ascott Orchard Singapore
Stable Income	United Kingdom (GBP)	4.2	4.0	5	153	140	9	• Stronger corporate and leisure demand
Growth Income	Australia (AUD)[1]	2.9	2.9	-	127	149	(15)	• Lower RevPAU due to acquisition of Citadines Connect Sydney Airport, which has lower RevPAU compared to existing properties in Australia, and softer leisure and corporate demand in Melbourne • On a same store basis, RevPAU would be 4% lower year-on-year
Growth Income	China (RMB)	27.2	28.8	(6)	455	484	(6)	• Softer corporate demand from properties in regional cities, mitigated by higher commercial rent • FRS 116 adjustments
Growth Income	Japan (JPY)[2]	573.4	625.8	(8)	11,711	11,496	2	• Lower rental rates upon renewal of lease for rental housing properties amidst stiff competition, partially offset by stronger performance from serviced residences
Growth Income	Singapore (SGD)	3.3	3.3	-	221	217	2	• Higher market demand, offset by higher cost
Growth Income	United States (USD)	7.5	5.2	44	212	226	(6)	• Competition from new supply and higher staff costs due to higher minimum wage requirement • FRS 116 adjustments
Growth Income	Vietnam (VND)[3]	95.0	88.7	7	1,634	1,499	9	• Stronger corporate demand

Notes: All figures above are stated in local currency

1. *Includes contribution from Citadines Connect Sydney Airport, which was acquired in May 2019.*
2. *RevPAU for Japan refers to serviced residences and excludes rental housing.*
3. *Gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands.*

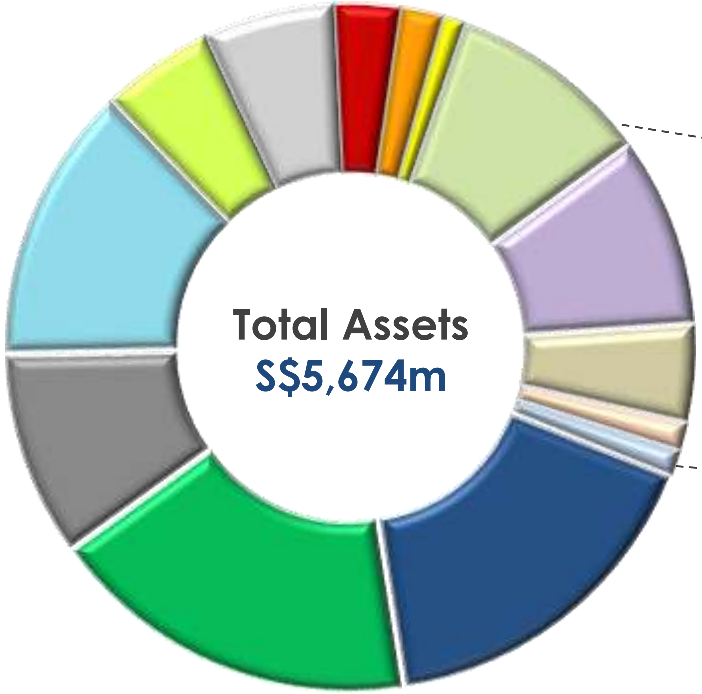
Portfolio Overview

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

Performance Driven by Balanced and Diversified Asset Allocation

58% Asia Pacific

Asia Pacific	57.8%
Singapore	17.6%
Japan	13.1%
China	9.6%
Australia	6.2%
Vietnam	5.3%
Philippines	3.1%
Indonesia	2.0%
Malaysia	0.9%



42% Europe/Americas

Europe	25.7%
France	9.6%
UK	9.0%
Germany	4.6%
Spain	1.3%
Belgium	1.2%

The Americas	16.5%
USA	16.5%

Valuable portfolio comprising

> 50%[1] freehold properties

Notes:
As at 30 September 2019

1. Based on property value as at 30 June 2019

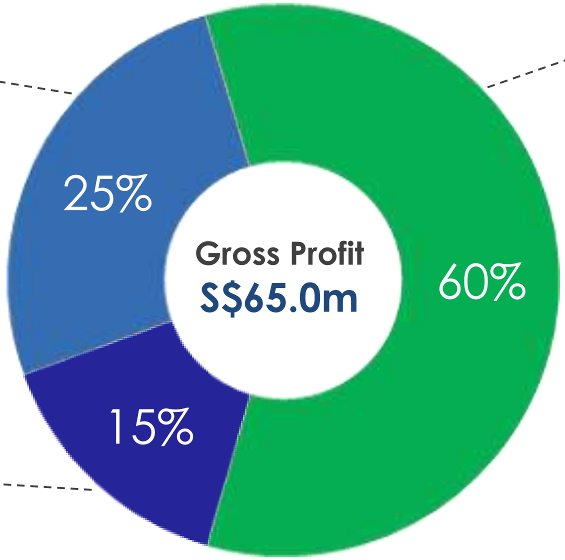
Delivering Resilient Performance

8 key markets contributed approximately **84%** to total gross profit
No concentration in any single market

40% Stable

Master Leases	25%
France	***12%***
Germany	5%
Singapore	***5%***
Australia	***3%***

MCMGI[1]	15%
United Kingdom	***11%***
Belgium	2%
Spain	2%



60% Growth

Management Contracts	60%
United States	***16%***
Japan	***11%***
Vietnam	***9%***
China	***8%***
Singapore	***5%***
Australia	***4%***
Philippines	3%
Indonesia	3%
Malaysia	1%

8 Key Markets: **Australia (7%), China (8%), France (12%), Japan (11%), Singapore (10%), United Kingdom (11%), United States (16%)** and **Vietnam (9%)** contribute approximately 84% of Total Gross Profit

Notes: Based on 3Q 2019 Gross Profit
1. MCMGI refers to Management Contracts with Minimum Guaranteed Income

Capital and Risk Management

Somerset Heping Shenyang, China

Capital & Risk Management

Adopting a disciplined and proactive approach

Gearing remained low at
33.0%[1]
(debt headroom[2] of about S$1.1b)
(vs 32.8%)

Interest cover[3]
5.4X
(vs 5.2X)

~49%
Total Assets in Foreign Currency Hedged

Low effective borrowing cost[3] of
2.1% per annum
(maintained)

~88%
Total debt on fixed rates
(maintained)

-0.1%
Impact of foreign exchange after hedges on gross profit for YTD September 2019

3.7 years
Weighted average debt to maturity
(vs 3.9 years)

'BBB' (stable outlook)
Long-term rating by Fitch
(affirmed in August 2019)

NAV Per Unit
S$1.25[4]
(vs S$1.27)

S$150 million
5% perpetual securities
(Called on 27 October 2019)

Successfully refinanced at a lower rate

S$150 million
3.88% perpetual securities
(First call date 4 September 2024)

Notes: Figures above as at/for the period ending 30 September 2019, with 30 June 2019 comparable in brackets
1. *Computation of gearing excludes lease liabilities recognised by virtue of FRS 116 as these operating leases were entered into in the ordinary course of business and were in effect before 1 January 2019*
2. *Refers to the amount of additional debt before reaching aggregate leverage limit of 45% set by MAS*
3. *Excluding the effect of FRS 116 Leases which was effective 1 January 2019*
4. *Adjusted NAV per unit, excluding the distributable income to unitholders, is S$1.23*

Well Spread-out Debt Maturity
Diversified Funding Sources with 54% Loans: 46% MTN

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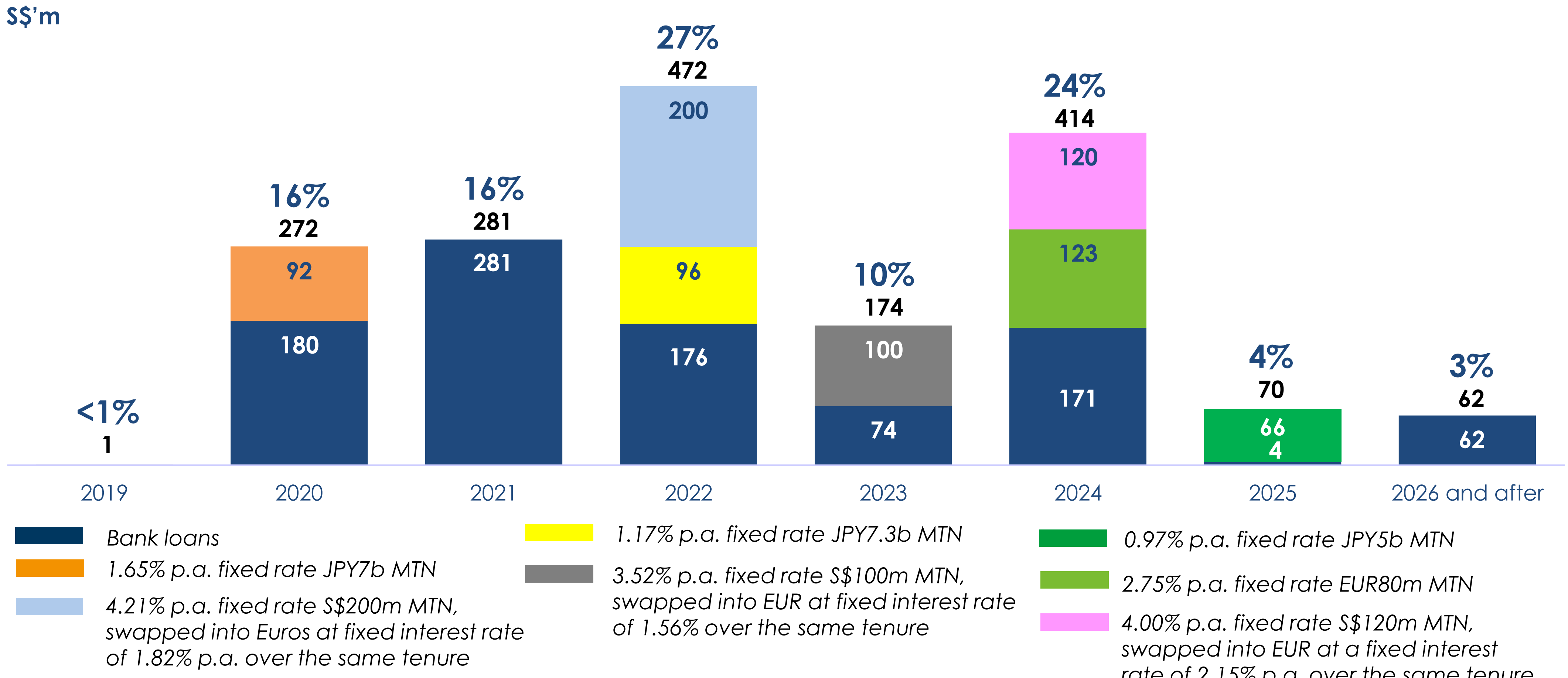
Proactively review and commence refinancing discussions ahead of debt maturity

Debt Maturity Profile



Note:
As at 30 September 2019

Key Country Updates

Citadines Barbican London, United Kingdom

Australia

Contributed 7% to Gross Profit[1]

Contribution from acquisition of Citadines Connect Sydney Airport, offset by weaker leisure and corporate demand in Melbourne

Master Lease

3 Quest Properties

Management Contracts

Citadines Connect Sydney Airport

Citadines on Bourke Melbourne

Citadines St Georges Terrace Perth

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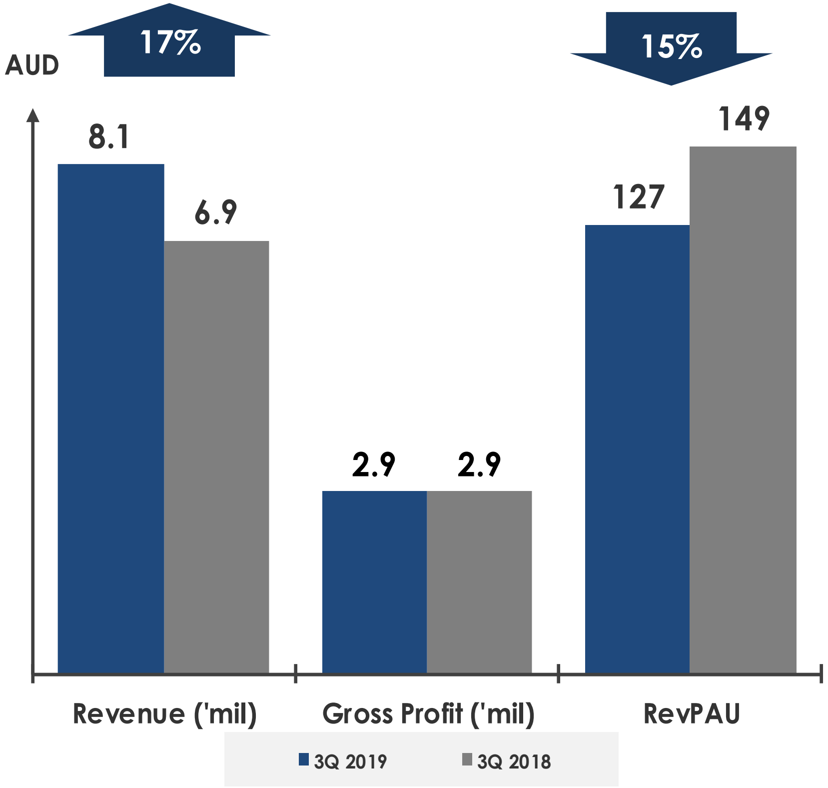


relates to properties under Management Contracts only

Performance Highlights and Market Outlook

- The acquisition of Citadines Connect Sydney Airport contributed to higher revenue, but resulted in a lower portfolio RevPAU. On a same store basis, revenue and gross profit were lower due to weaker leisure and corporate demand in Melbourne, and RevPAU was 4% lower y-o-y.
- Ongoing rebranding and building of corporate base and distribution network at Citadines Connect Sydney Airport after acquisition in May 2019.
- IMF revised its GDP growth forecast for Australia to 1.7% for 2019[2].
- A weak AUD will provide support to the growth in international visitors and tourism dollar, while also encouraging domestic tourism amongst Australians[3].
- Operating environment in Melbourne is expected to be competitive, with over 5,000 rooms to be added over the next three years[3]. Nevertheless, the market is expected to absorb the supply over the longer-term, given that Melbourne is a major corporate and leisure market in Australia and should maintain a core level of demand growth[4].

Notes:

1. *3 properties under Master Lease contracts contributed to 3% of gross profit, and 3 properties under Management Contracts contributed to 4% of gross profit in 3Q 2019*
2. *Source: International Monetary Fund (2019)*
3. *Source: CBRE (2019)*
4. *Source: JLL (2019)*

China

Contributed 8% to Gross Profit

Softer corporate demand from regional cities

Management Contracts


Somerset Xu Hui Shanghai


Ascott Guangzhou

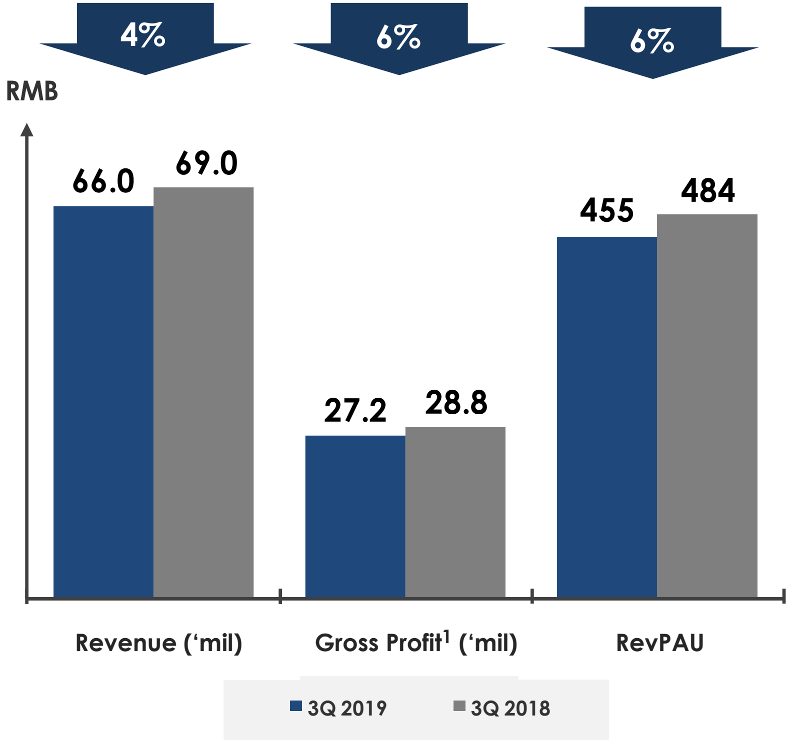

Citadines Xinghai Suzhou


Somerset Olympic Tower Property Tianjin


Somerset Grand Central Dalian


Citadines Zhuankou Wuhan


Somerset Heping Shenyang



Performance Highlights and Market Outlook

- Revenue decreased mainly due to softer corporate demand in the regional cities, mitigated by higher commercial rent.
- Gross profit decreased mainly due to lower revenue and higher staff costs.
- IMF lowered its forecast for China's GDP growth to 6.1%[2].
- Annual tourist arrivals are expected to hit 130 million by 2020, supported by the growth in domestic travel[3].
- Despite the recent breakthrough in trade talks between US and China, lingering economic uncertainty continues to weigh on business travel[4].
- Nonetheless, with the government's efforts to boost domestic consumption coupled with the rise in disposable income and middle-class consumption, the long-term prospects of China's hospitality market remain positive[5].

Notes:
1. *Excluding FRS 116 adjustments, gross profit for 3Q 2019 would have been RMB 26.0 million*
2. *Source: International Monetary Fund (2019)*
3. *Source: Research and Markets (2019)*
4. *Source: CBRE (2019)*
5. *Source: South China Morning Post (2019)*

Japan

Contributed 11% to Gross Profit

RevPAU growth for serviced residences; market competition affecting rental housing properties

Management Contracts

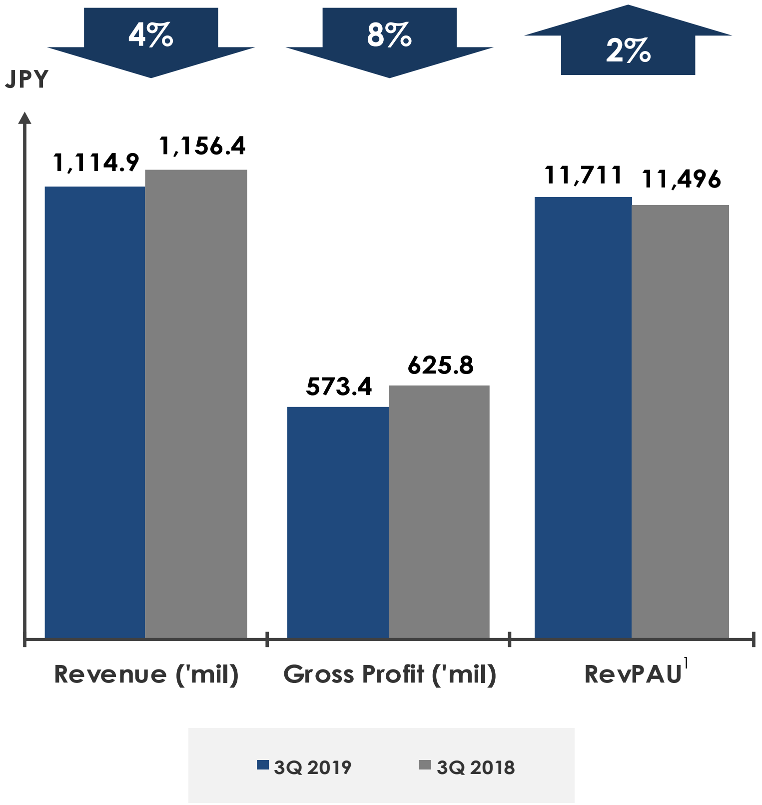
Citadines Central Shinjuku Tokyo

Citadines Shinjuku Tokyo

Citadines Karasuma-Gojo Kyoto

Somerset Azabu East Tokyo

11 rental housing properties in Japan



Performance Highlights and Market Outlook

- Lower rental rates upon renewal of lease for rental housing properties amidst stiff competition, partially offset by stronger performance from serviced residences.
- Gross profit decreased due to lower revenue, higher staff costs and operation & maintenance expense, mitigated by lower marketing expense.
- RevPAU increased due to stronger leisure demand, with some uplift from the Rugby World Cup in September 2019.
- IMF maintained its GDP growth forecast for Japan at 0.9% for 2019[2].
- Inbound tourist numbers are set to increase in the coming years, with the Tokyo Olympics and Paralympics taking place in 2020 and the Osaka-Kansai World Expo taking place in 2025. This puts Japan on track to achieve its target of attracting 60 million inbound tourists by 2030[3]. Upgrading works at Haneda International Airport and Narita International Airport are expected to complete in 2020, and will help to cater to the increase in demand[4].
- Hotel supply is expected to soften from 2020, especially in the limited-service sector where most of the new supply has been[5].

Notes:

1. *RevPAU relates to serviced residences and excludes rental housing properties*
2. *Source: International Monetary Fund (2019)*
3. *Source: CBRE (2019)*
4. *Source: JLL (2019)*
5. *Source: Savills (2019)*

Singapore

Contributed 10% to Gross Profit[1]

Higher market demand

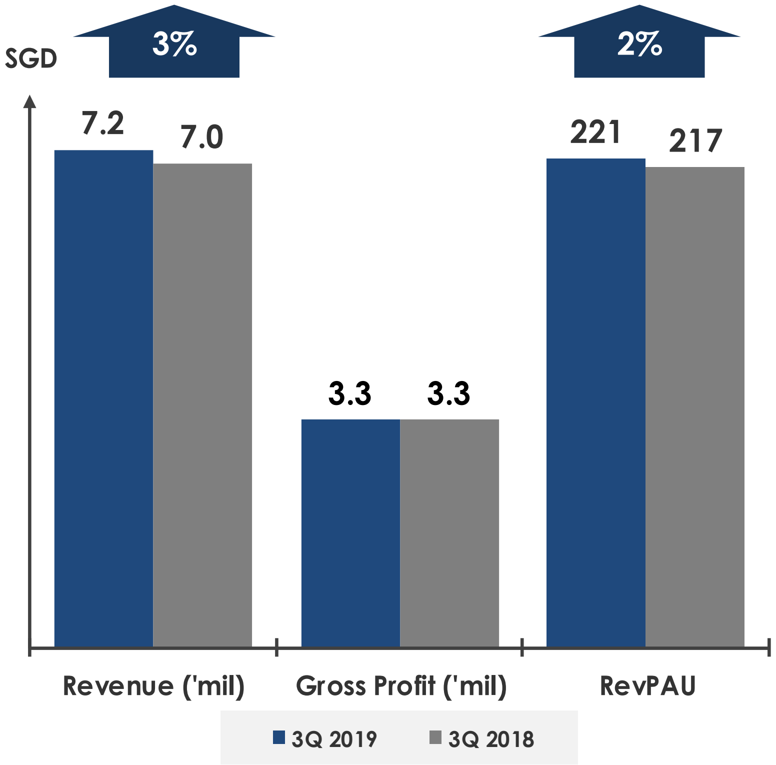
Master Lease

Ascott Orchard Singapore

Management Contracts

Somerset Liang Court Property Singapore

Citadines Mount Sophia Property Singapore



relates to properties under Management Contracts only

Performance Highlights and Market Outlook

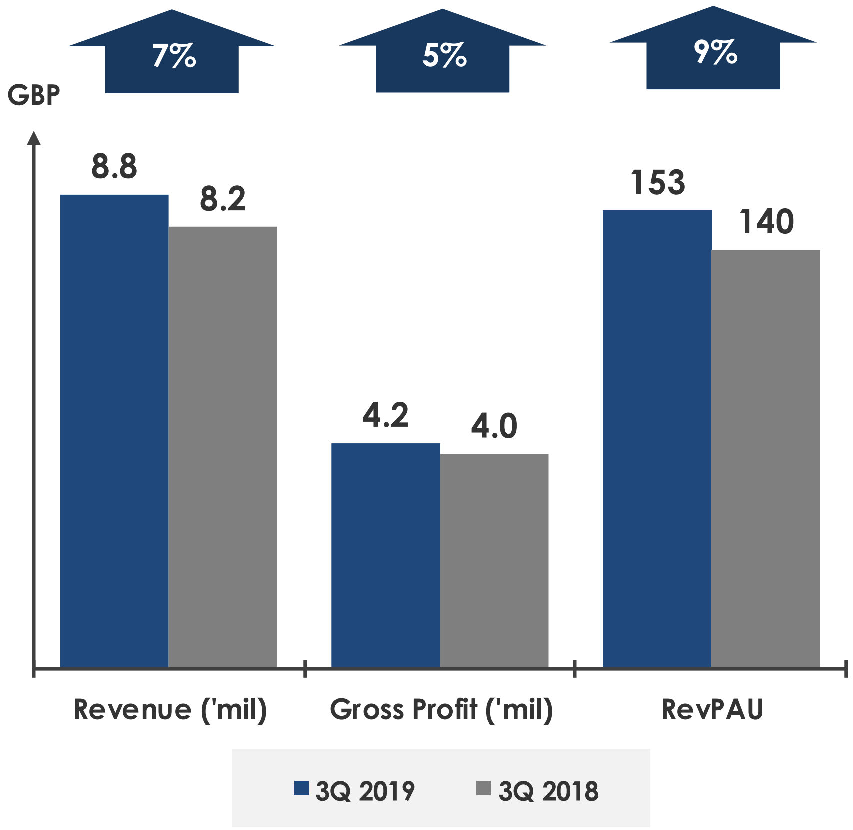
- Revenue increased due to higher demand. Gross profit remained stable due to higher revenue, offset by higher staff costs and marketing expense.
- IMF lowered its GDP growth forecast for Singapore to 0.5% for 2019[2].
- Singapore remains an attractive tourism sector in the medium to long-term with upcoming new tourism initiatives, such as the expansion of the two existing integrated resorts in Singapore, a new eco-tourism hub in Mandai and an integrated tourism development at Jurong Lake District[3].
- International visitor arrivals for first eight months of 2019 increased 1.94% y-o-y, on track to meet the growth target of 1% to 4% for 2019[3].
- Corporate demand expected to remain firm, with global companies shifting their headquarters to Singapore[4].
- Limited hotel room supply up till 2021[5].

Notes:
1. *1 property under master lease contributed to 5% of gross profit, and 2 properties under Management Contracts contributed to 5% of gross profit in 3Q 2019*
2. *Source: International Monetary Fund (2019)*
3. *Source: Singapore Tourism Board (2019)*
4. *Source: JLL (2019)*
5. *Source: CBRE (2019)*

United Kingdom

Contributed 11% to Gross Profit

Higher corporate and leisure demand



Management Contracts with Minimum Guaranteed Income

Citadines Trafalgar Square London

Citadines Holborn-Covent Garden London

Citadines Barbican London

Citadines South Kensington London

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Performance Highlights and Market Outlook

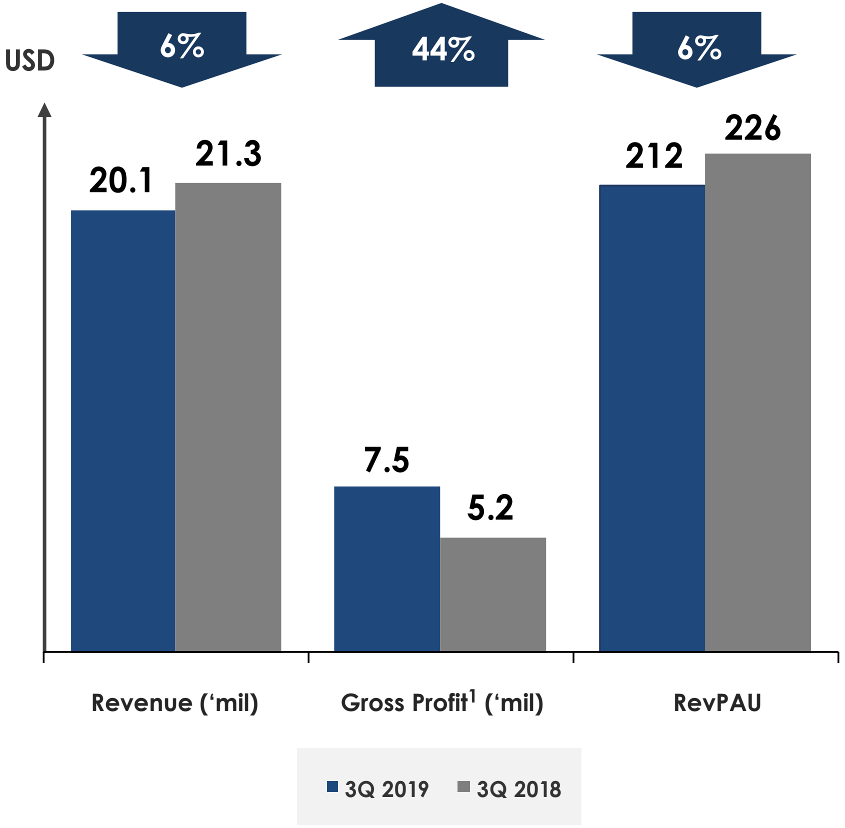
- Revenue increased due to higher corporate and leisure demand. Gross profit increased due to higher revenue, partially offset by higher marketing expense and management fee.
- IMF moderated its GDP growth forecast for UK to 1.2% for 2019[1].
- Business sentiment remains uncertain amidst geopolitical uncertainty. However, a weak GBP will continue to drive inbound leisure travel to the UK. In addition, meetings and conferences, as well as sports events such as the UEFA Euro 2020 should provide some uplift to hotels in London[2].
- Ascott Reit UK properties will continue to generate stable income streams, as the properties are under management contracts with minimum guaranteed income.

Notes:
1. *Source: International Monetary Fund (2019)*
2. *Source: PWC UK (2019)*

United States

Contributed 16% to Gross Profit

Competition from new supply



Management Contracts

Element New York Times Square West

DoubleTree by Hilton Hotel New York

Sheraton Tribeca New York Hotel

Performance Highlights and Market Outlook

- Revenue decreased due to competition from new supply.
- Excluding FRS 116 and straight line adjustments, gross profit decreased due to lower revenue and higher staff costs, partially mitigated by lower operation & maintenance expense and marketing expense.
- IMF lowered its GDP growth forecast for US to 2.4% for 2019[2].
- Despite economic and geopolitical uncertainties, New York City is expected to receive a record number of visitors in 2019. Marquee events in 2019 and the opening of Hudson Yards add to the city's resilience, supporting demand growth[3,4]. Other significant development projects underway include Manhatten West and Javits Convention Center.
- Supply growth is anticipated to outpace demand growth in 2019, putting pressure on room rates. However, supply growth is expected to slow after 2019, tapering off significantly after 2021[4].

Notes:

1. *Excluding FRS 116 adjustments for 3Q 2019 and straight-line recognition of operating lease expense for 3Q 2018, gross profit for 3Q 2019 and 3Q 2018 would have been USD 4.6 million and USD 5.8 million respectively*
2. *Source: International Monetary Fund (2019)*
3. *Source: Skift (2019)*
4. *Source: HVS (2019)*

Vietnam

Contributed 9% to Gross Profit

Stronger corporate demand

Management Contracts

Somerset Grand Hanoi

Somerset Hoa Binh Hanoi

Somerset West Lake Hanoi

Somerset Ho Chi Minh City

Somerset Chancellor Court Ho Chi Minh City

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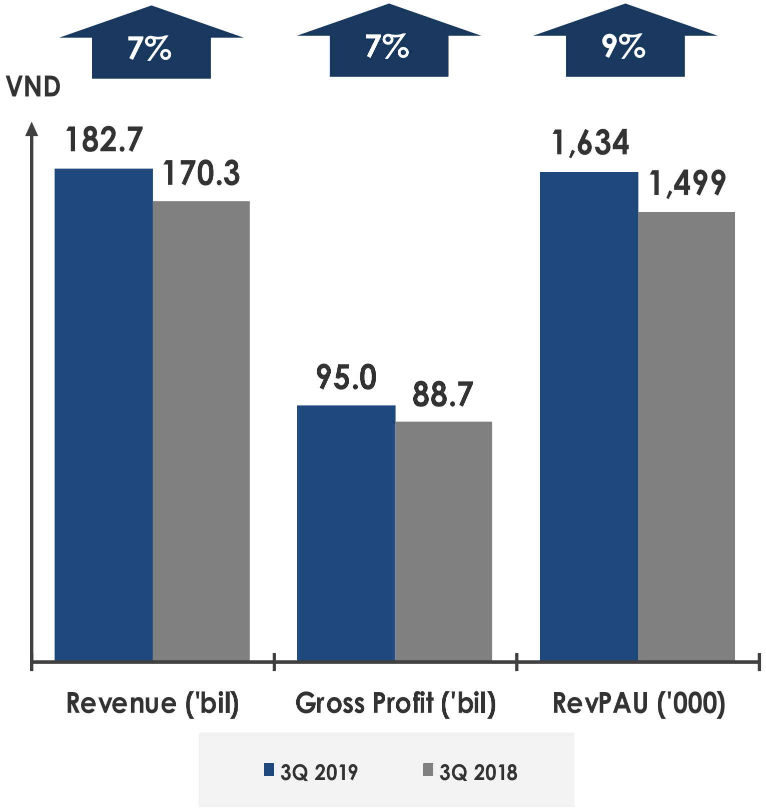


Performance Highlights and Market Outlook

- Revenue increased mainly due to stronger corporate demand. Gross profit increased due to higher revenue, partially offset by higher operation & maintenance expense and marketing expense.
- IMF maintained its GDP growth forecast of 6.5% for Vietnam in 2019[1].
- YTD September 2019 international visitor arrivals to Vietnam increased 28.8% y-o-y[2]. Hanoi continues to be a favourable investment destination for multinational companies, facilitating the growth in demand for serviced residences[3].
- Serviced apartments are increasingly recognised as an alternative to hotels in Vietnam, and the sector is expected to see positive growth in the near term. Nonetheless, the growth in buy-to-let apartments is likely to create more competition[2].

Notes:

1. *Source: International Monetary Fund (2019)*
2. *Source: Vietnam National Administration of Tourism (2019)*
3. *Source: Colliers (2019)*

Looking Forward

Ascott Orchard Singapore

Looking Forward

Diversified portfolio to provide stable distributions amidst macro and operating headwinds
Value creation through portfolio reconstitution

Overall Market Outlook

Subdued Global Economic Growth

Low Interest Rate Environment

Growth in Global Visitor Arrivals to Moderate

Growth in Supply to Outpace Demand in Some Markets in Near Term

Resilient Portfolio

Portfolio Diversification and Reconstitution for Income Resilience

- Global presence with no concentration risk
- Balanced mix of stable and growth income
- Value creation through portfolio reconstitution

Strong Balance Sheet and Lower Cost of Capital

- Low gearing of 33.0% with debt headroom of about S$1.1 billion[1]
- Cost of debt remains low at 2.1% p.a.; refinanced perpetual securities at lower rates
- Fitch Ratings affirmed "BBB" rating with Stable Outlook

Support of Strong Sponsor, The Ascott Limited

- One of the leading international lodging owner-operators
- Pipeline of approximately 20 assets
- Alignment of interests with ~45% stake[2] in Ascott Reit

Combination of Ascott Reit and Ascendas Hospitality Trust

- Strengthening portfolio with 14 quality properties
- Positioned for potential index inclusion and positive re-rating
- Stronger financial position to capture growth

Notes:
1. *Refers to the amount of additional debt before reaching aggregate leverage limit of 45% set by MAS*
2. *Held through CapitaLand Group*

Appendix

Combination of Ascott Reit and Ascendas Hospitality Trust

Novotel Sydney Central, Australia

S$1.9 billion[1] Combination of Ascott Reit and Ascendas Hospitality Trust ("A-HTRUST")

Overview of the Combination

Consolidate Ascott Reit's position as the **largest hospitality trust in Asia Pacific** with total assets of S$7.6 billion[2]

Facilitate inclusion into FTSE EPRA Nareit Developed Index

Enhance portfolio diversification and resilience

Strengthen position for future growth

Stronger financial position to capture the rising hospitality market

DPU accretion to Unitholders…

+2.5%
FY2018 *pro forma* DPU

…while being neutral to NAV per Unit[3]

Total Scheme Consideration of S$1.2 billion[4] comprises:

S$1.0868
per A-HTRUST Stapled Unit

=

5% Cash Consideration
S$0.0543 in cash[5]

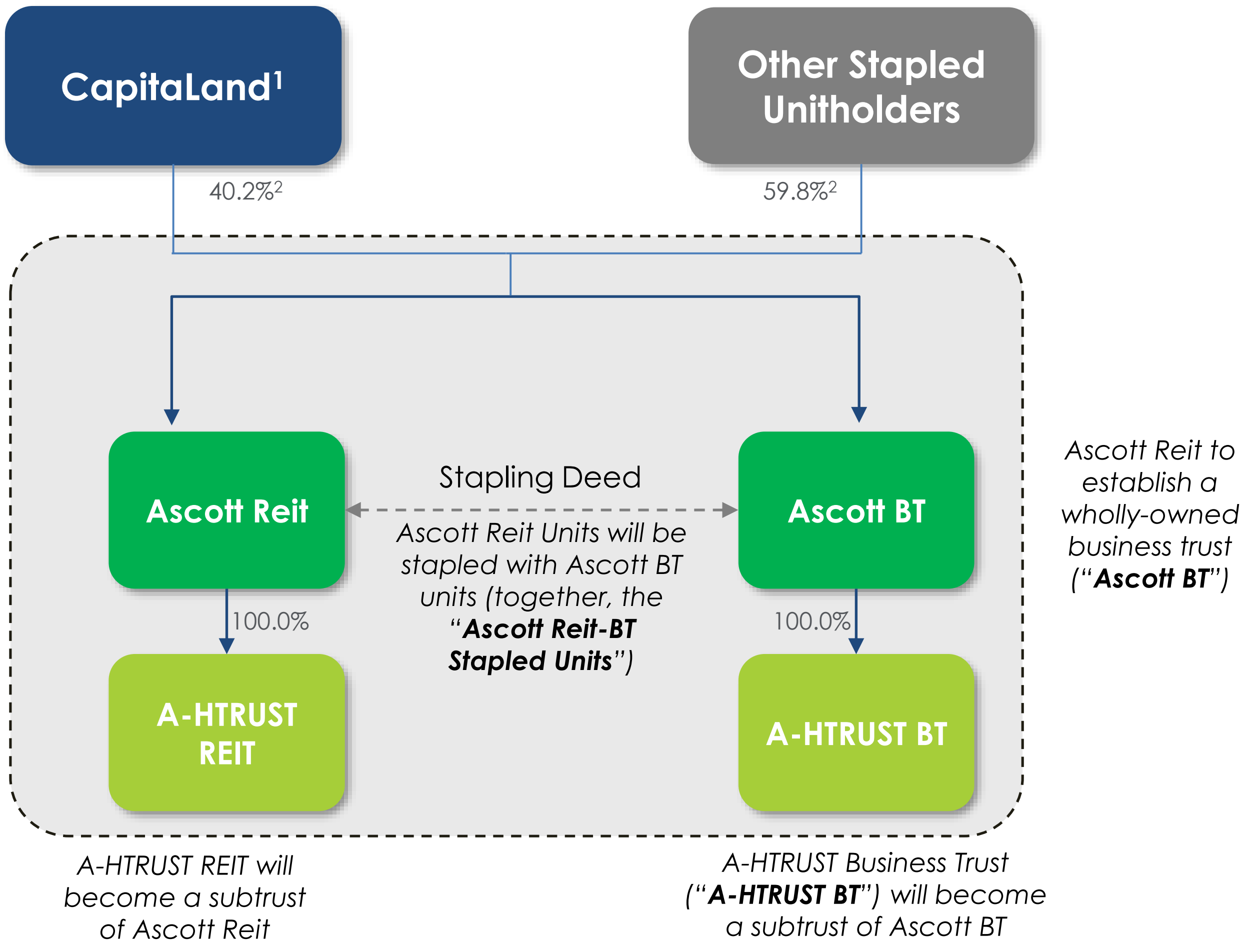
+

95% Consideration Units
0.7942 new Ascott Reit-BT Stapled Units[5] issued at S$1.30

Notes:
1. *Based on the total assets of Ascendas Hospitality Trust ("A-HTRUST") as at 31 March 2019.*
2. *Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.*
3. *As at 31 December 2018, on a pro forma basis, assuming the premium over NAV is written off and transaction costs are excluded.*
4. *Based on a total of 1,136.7 million A-HTRUST Stapled Units as at 3 July 2019, date of the joint announcement.*
5. *The aggregate Cash Consideration to be paid to each A-HTRUST Stapled Unitholder shall be rounded to the nearest S$0.01. The number of Consideration Units which each A-HTRUST Stapled Unitholder shall be entitled to pursuant to the A-HTRUST Scheme, based on the number of the A-HTRUST Stapled Units held by such A-HTRUST Stapled Unitholder as at the A-HTRUST Scheme Entitlement Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.*

Combination of Ascott Reit and A-HTRUST

Combined Entity Structure



Indicative Timeline

21 October 2019 (Mon) — Obtained unitholders' approval at EGM and Scheme Meeting

Moving Forward

19 November 2019[3] (Tue) — Expected date of Court hearing of the application to sanction the Ascott Reit Scheme

18 December 2019 (Wed) — Expected A-HTRUST Scheme Entitlement Date

30 December 2019 (Mon) — Expected Ascott Reit Scheme Entitlement Date

31 December 2019 (Tue) — Expected A-HTRUST Scheme Implementation Date and Ascott Reit Scheme Implementation Date

2 January 2020 (Thu) — Expected date for commencement of trading of Ascott Reit-BT Stapled Units (on a stapled basis) and Consideration Units

The timeline above is indicative only and subject to change.

Notes:

1. *Held through CapitaLand group of entities, namely The Ascott Limited, Somerset Capital Pte Ltd, the Manager of Ascott Reit and Ascendas Land International Pte Ltd.*
2. *Holdings based on 28 June 2019 and including Consideration Units.*
3. *As announced on 23 October 2019*

Appendix

Value Creation Strategies

Citadines Connect Sydney Airport, Australia

Value Creation for Unitholders

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 Unitholders

1. Growth by Acquisition

- Total assets **grew sevenfold** since IPO to S$5.7 billion
- **Maiden development** project for **first coliving** property
- Milestone **combination** with **Ascendas Hospitality Trust**

2. Active Asset Management

- **RevPAU optimisation** & yield management
- **Asset Enhancement Initiatives**
- **Portfolio diversification**: geographical spread; product offering; contract types; etc

3. Unlocking Value

- Generated **S$0.4b net divestment gains** and reinvested into higher-yielding assets

4. Prudent Capital and Risk Management

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

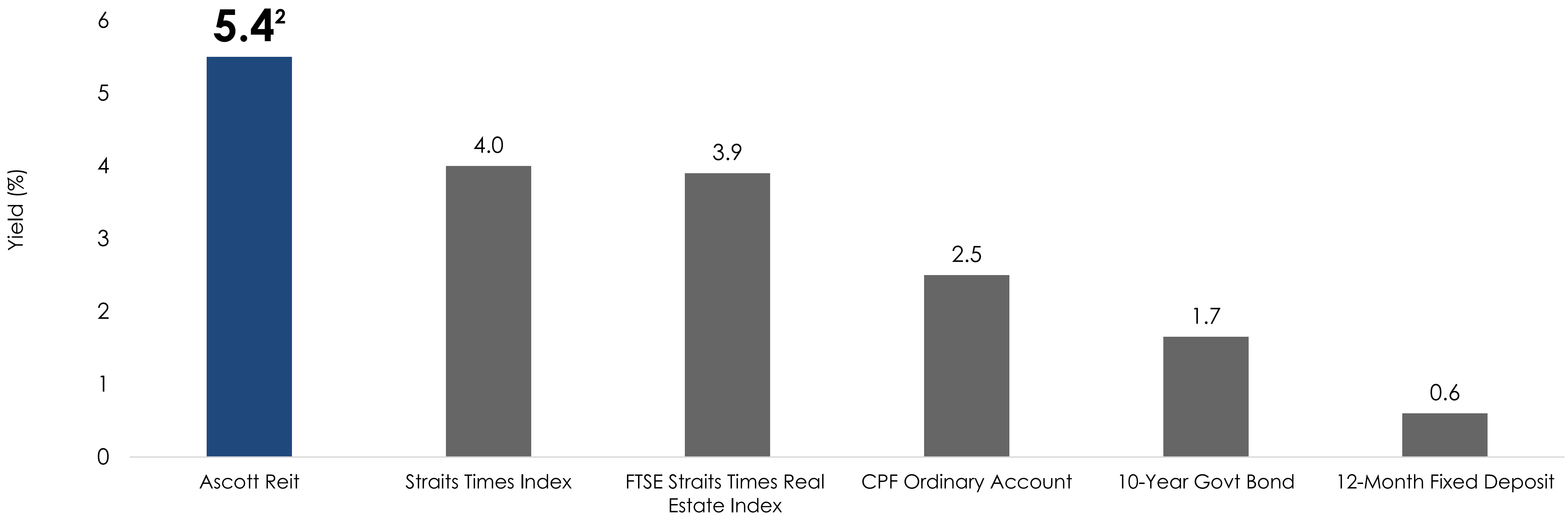
5. Leveraging Sponsor

- Strong **brand recognition** and **global footprint**
- **RoFR** and **pipeline** assets
- **Alignment** of Unitholder interests with ~45% stake[1]

Notes: Figures as at 30 September 2019
1. Held through CapitaLand Group

Value Creation for Unitholders

Attractive 5-Year Average DPU Yield of >6%[1]



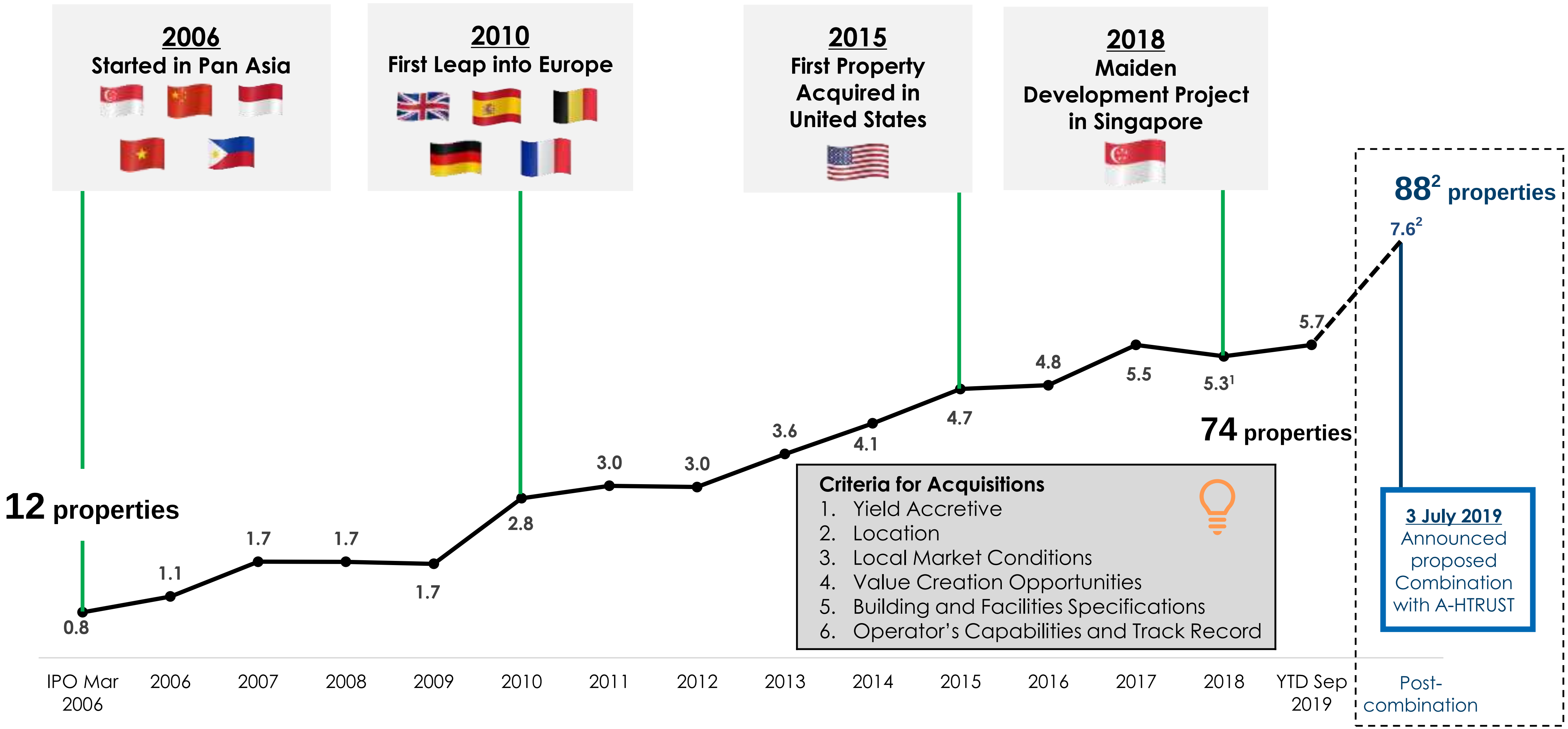
Total Unitholder Return Since IPO
> 300%[3]

Above yield figures as at September 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' DPU Yield*
2. *Computed based on Ascott Reit's 12 month trailing DPU and the closing unit price of S$1.32 as at 30 September 2019*
3. *Computation from Bloomberg and assumes reinvestment of distributions back into the security*

Key Milestone Acquisitions since IPO

Total Assets Since Listing (S$ billion)



Notes:

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*
2. *Based on the combined total assets and properties of Ascott Reit and A-HTRUST as at 31 March 2019.*

Embarked on Maiden Development Project to Build New Coliving Product

lyf one-north Singapore, located in a prime developing district with limited lodging supply

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 : 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 Asset Enhancement

Enjoy ADR uplift upon completion of Asset Enhancement Initiatives

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	Before	After
Element New York Times Square West The United States of America *Completed 2Q 2019*	 	 
Somerset Grand Citra Jakarta Indonesia *Completed 2Q 2019*	 	 

Criteria for Asset Enhancement Initiatives
1. Age of the Property
2. Market Outlook
3. Yield Accretion

3 Unlocking Value

Higher Yield Quality Assets

Accretive Acquisitions

Distribution of Divestment Gains

Opportunistic Divestments

Generated …

Total Net Divestment Gains

S$0.4 billion

Total Divestment Proceeds

S$1.6 billion

Criteria for Divestment

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

Note:
Divestment figures above relates to approximately 10 transactions involving over 30 properties since listing to 30 September 2019

4 Capital & Risk Management

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

5 Strong Sponsor – The Ascott Limited

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One of the leading international lodging owner-operators

>112,000
Serviced residence & hotel units
Includes units under development

>720
Properties

>180
Cities

>30
Countries

>30 year track record

Award-winning brands with worldwide recognition

Strong alignment of interests – CapitaLand owns ~45% stake

Note: Figures updated as at October 2019

5 Working with Sponsor

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ASCOTT RESIDENCE TRUST
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THE ASCOTT LIMITED
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Owner *Ascott Residence Trust*	**Sponsor & Operator** *The Ascott Limited*	**Guests**
What we do: Invest in serviced residences, rental housing properties and other hospitality assets around the world **Value Creation:** Deliver stable and sustainable returns to Unitholders through the ownership and enhancement of the assets	**What we do:** Experienced operator of serviced residence & lodging product **Value Creation:** Experience, global presence and economies of scale, suite of brands	**Description:** A good mix of corporate and leisure guests; varying lengths of stay and preferences

engages service of

to manage the property and provide hospitality services to

Appendix

Other Information

Citadines Michel Hamburg, Germany

Key Features of Ascott Reit

Investment Mandate	• Invests primarily in real estate and real estate-related assets which are income-producing and which are used, or predominantly used, as serviced residences, rental housing properties and other hospitality assets in any country in the world
Leverage	• Based on regulatory requirements, Ascott Reit's aggregate leverage limit cannot exceed 45%[1] • Historically, Ascott Reit'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 Unitholders to qualify for the Inland Revenue Authority of Singapore tax transparency treatment for REITs • Since its listing, Ascott Reit has paid out **100%** of its distributable income to Unitholders
Sponsor-aligned Interest	• CapitaLand Limited, the parent company of The Ascott Limited, is a substantial Unitholder of Ascott Reit (~45% interest in Ascott Reit)
Corporate Governance	• Externally managed by Ascott Residence Trust Management Limited[3] – Majority of the board are Independent Non-Executive Directors

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 Ascott Reit's gearing for financial years 2011 – 2018.*
3. *A wholly-owned subsidiary of CapitaLand Limited.*

Awards and Accolades

Highly coveted accolades awarded in past 2 years

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

Best Hospitality REIT (Platinum award)

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

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**

TripAdvisor Awards 2019

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

Note:

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



Thank you

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