

NEWS RELEASE

ASCOTT RESIDENCE TRUST INCREASES DISTRIBUTION PER STAPLED SECURITY BY 43% TO 4.32 CENTS IN FY 2021

REVPAU jumped 61% for 2H 2021 and ART's expansion in longer-stay assets further enhanced income stability

Singapore, 28 January 2022 – Ascott Residence Trust (ART) has increased its distribution per Stapled Security (DPS) for FY 2021 by 43% to 4.32 cents compared to FY 2020. ART's distribution income also grew 46% to S\$137.3 million compared to FY 2020. The distribution income for FY 2021 included a one-off distribution of divestment gain of S\$45.0 million to share divestment gains with Stapled Securityholders, to replace income loss from divested assets and mitigate the impact of COVID-19. Excluding the divestment gains distributed in FY 2021 and FY 2020, ART's DPS rose 85% year-on-year due to improved operating performance and ART's active portfolio management to enhance income stability.

ART's revenue per available unit (REVPAU¹) continued its upward trajectory, rising over six consecutive quarters since 2Q 2020. With the pace of reopening picking up, its REVPAU for 4Q 2021 registered the strongest quarter-on-quarter increase at 24% to S\$87. ART's REVPAU jumped 61% to S\$79 for 2H 2021 compared to 2H 2020. Its long-stay properties continued to provide income stability, while the easing of travel restrictions and increased global economic activities led to a hike in demand from both corporate and leisure guests. ART's key markets, the United States of America (USA), United Kingdom and Australia registered the strongest growth.

Revenue for 2H 2021 increased by 30% to S\$209.4 million compared to 2H 2020. This was mainly attributed to higher revenue from its existing portfolio and additional contributions from the acquisition of student accommodation assets in the USA and rental housing properties in Japan in FY 2021. Gross profit for 2H 2021 also grew 49% to S\$91.2 million compared to 2H 2020. ART's stable income sources² contributed about 70% of its gross profit in FY 2021 while the remaining income from management contracts is expected to pick up as demand for accommodation increases with the resumption of travel.

Mr Bob Tan, Chairman of Ascott Residence Trust Management Limited (ARTML) and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "Through our active portfolio management, we have enhanced ART's income stability by building its longer-stay assets and further diversifying its portfolio. In the past year, ART invested S\$780 million in 11 yield-accretive rental housing and student accommodation assets at an average EBITDA yield of about 5%³. We have successfully replaced the distribution income from our divested assets at higher

¹ Portfolio REVPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income. It excludes master leases, rental housing and student accommodation properties

² Stable income sources include master leases, management contracts with minimum guaranteed income, rental housing and student accommodation properties

³ For Standard at Columbia, which is under development, the EBITDA yield is a target yield on a stabilised basis

yields. In FY 2020 and 2021, ART divested six assets⁴ at an average exit yield of around 2% and received about S\$580 million in proceeds. Our longer-stay assets currently make up about 16% of our total portfolio value. We will raise the asset allocation target in these longer-stay assets from 15-20% in the medium term to 25-30%, further strengthening the resilience of ART's portfolio. We remain committed to delivering sustainable, long-term value to our Stapled Securityholders."

Ms Beh Siew Kim, Chief Executive Officer of ARTML and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "In 2021, ART was also recognised for our sustainability and corporate governance efforts, placing first in reputable indices and awards globally and in the region. We continue to seek more yield-accretive investments while remaining committed to sustainability and taking a disciplined approach in managing our capital and costs."

"Economic growth⁵ is expected to be modest in the near term, given the mobility restrictions in light of the Omicron variant and tightening of monetary policies to curb inflationary pressures. ART's presence in large domestic markets will allow us to continue capturing the strong local demand in the interim. Travel is recovering in many markets, such as Europe and the Americas, as vaccination rates increase. The coordinated lifting of travel restrictions and governments' commitment to the reopening of international borders, could further help to restore confidence in travel and accelerate recovery in 2022⁶. With ART's geographically diversified portfolio, we are well-positioned to capture demand as international travel gradually returns," added Ms Beh.

Enhancing the resilience of ART's portfolio through investments in the longer-stay segment

ART's entry into the student accommodation segment and increased asset allocation in the longer-stay segment have boosted the resilience of ART's portfolio. In 2021, ART acquired eight student accommodation assets in the USA and three rental housing properties in Japan. The seven operating student accommodation assets have a robust occupancy rate of close to 100%, while the three rental housing properties have an occupancy rate of over 95%.

Newly launched properties to contribute to ART's earnings

ART launched two properties in 4Q 2021, ready to take advantage of the recovery of travel in 2022. Its maiden development project, the new lyf one-north Singapore has achieved 96%⁷ occupancy since its soft opening in November 2021. The 324-unit coliving property is located in Singapore's research and innovation business hub, one-north.

In New York City, USA, ART unveiled the 224-room voco Times Square South in November 2021 and bookings have been encouraging. Formerly known as Hotel Central Times Square, the property underwent a US\$10 million refurbishment and rebranding since 2Q 2021.

⁴ The six divested assets are Ascott Guangzhou, Somerset Azabu East Tokyo, Citadines Didot Montparnasse Paris, Citadines City Centre Grenoble, Somerset Liang Court Singapore (partial gross floor area) and Somerset Xu Hui Shanghai

⁵ In the International Monetary Fund's "World Economic Outlook" (January 2022) report, it forecasts the global economic growth to moderate from 5.9% in 2021 to 4.4% in 2022

⁶ "Tourism grows 4% in 2021 but remains far below pre-pandemic levels" (January 2022), World Tourism Organization

⁷ Based on inventory available for sale during the first phase of opening

Rejuvenating ART's portfolio with new developments

Two properties in ART's portfolio are currently under development. Construction of the student accommodation 'Standard at Columbia' started in 3Q 2021 and is expected to complete in 2Q 2023. Jointly invested and developed with ART's sponsor, The Ascott Limited, the 678-bed asset will serve over 35,000 students from the nearby University of South Carolina.

Construction of the new Somerset serviced residence at the Liang Court site in Singapore also commenced in 3Q 2021 and is slated for completion in 2H 2025. The new 192-unit Somerset serviced residence will be part of an iconic riverfront integrated development. Over 50% of the units are one- and two-bedroom units, catering to expatriates and business executives on long stays.

Strengthening ART's financial position through disciplined capital and cashflow management

ART has strong financial capacity and healthy liquidity position, giving it the flexibility to invest, pare down debt and/or distribute part of the gains from its divestments to Stapled Securityholders. As at 31 December 2021, ART had a total of approximately S\$1.04 billion in cash on-hand and unutilised credit facilities. ART has a debt headroom of S\$1.9 billion and a gearing of 37.1%, which is well below the 50% gearing threshold set by the Monetary Authority of Singapore.

In line with its proactive capital management approach, about 74% of debt are effectively on fixed interest rates as at 31 December 2021, and is expected to raise the amount to 80% to further hedge against rising interest rates. ART's effective borrowing cost remains low at 1.6% per annum.

Summary of Results

	2H 2021	2H 2020	Variance %	FY 2021	FY 2020	Variance %
Revenue (S\$ million)	209.4	161.4	30	394.4	369.9	7
Gross Profit (S\$ million)	91.2	61.0	49	173.3	149.6	16
Distribution Income (S\$ million) ^{(1), (2)}	73.5	61.7	19	137.3	94.2	46
Distribution Per Stapled Security (DPS) (cents)	2.27	1.99	14	4.32	3.03	43
Revenue Per Available Unit (REVPAU) (S\$/day)	79	49	61	69	59	17



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- (1) Distribution income for 2H 2021 included a one-off distribution of divestment gain of S\$25.0 million to share divestment gains with Stapled Securityholders, replace income loss from divested assets and mitigate the impact of COVID-19 on distributions.

Distribution income for FY 2021 included:

- a) one-off distribution of divestment gain of S\$45.0 million to share divestment gains with Stapled Securityholders to replace income loss from divested assets and mitigate the impact of COVID-19 on distributions;
 - b) termination fee income received upon termination of the sale of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan;
 - c) realised exchange gain on the receipt of the divestment proceeds; and
 - d) realised exchange gain arising from the repayment of foreign currency bank loans with the divestment proceeds.
- (2) Distribution income for 2H 2020 included a one-off distribution of divestment gain of S\$40.0 million to mitigate the impact of COVID-19 on distributions and to share past divestment gains with Stapled Securityholders.

To mitigate the impact of COVID-19 on distributions and to share past divestment gains with Stapled Securityholders, ART had included a S\$5.0 million top-up in the 1H 2020 distribution.

Total divestment gain distributed for FY 2020 is S\$45.0 million.

In 1H 2020, in view of the uncertainty surrounding the COVID-19 situation, ART had retained approximately 15% (S\$5.0 million) of its income available for distribution to Stapled Securityholders. In 2H 2020, ART had released the S\$5.0 million of distribution income retained in the 1H 2020 to Stapled Securityholders.



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Distribution and Book Closure Date

On 20 September 2021, 152,594,100 new Stapled Securities were issued pursuant to the private placement. In order to ensure fairness to holders of the existing Stapled Securities, ART paid, in lieu of the scheduled semi-distribution, an advanced distribution of 0.545 cents per Stapled Security for the period from 1 July 2021 to 19 September 2021 (prior to the date on which the new Stapled Securities are issued pursuant to the private placement). The next distribution therefore will comprise the distribution income from 20 September 2021 to 31 December 2021. Semi-annual distributions will resume thereafter.

Distribution	For 1 January 2021 to 30 June 2021	For 1 July 2021 to 19 September 2021	For 20 September 2021 to 31 December 2021	For 1 July 2021 to 31 December 2021
Distribution Rate per Stapled Security	2.045 cents	0.545 cents	1.726 cents	2.271 cents
Book Closure Date	4 August 2021	17 September 2021	9 February 2022	
Payment Date	27 August 2021	9 November 2021	1 March 2022	

For ART's FY 2021 financial statement and presentation, please visit www.ascottresidencetrust.com

About Ascott Residence Trust

Ascott Residence Trust (ART) is the largest hospitality trust in Asia Pacific with an asset value of S\$7.7 billion as at 31 December 2021. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, ART's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. ART is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

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ART's international portfolio comprises 93 properties with over 17,000 units in 43 cities across 15 countries in Asia Pacific, Europe and the USA as at 31 December 2021.

ART's properties are mostly operated under the Ascott The Residence, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT). ART is managed by Ascott Residence Trust Management Limited (as manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd. (as trustee-manager of Ascott BT), both of which are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

Visit www.ascottresidencetrust.com for more information.

About CapitaLand Investment Limited

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 September 2021, CLI had about S\$120.8 billion of real estate assets under management, and about S\$84.3 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 30 private funds across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging and new economy sectors such as business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of the CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

As part of the CapitaLand Group, CLI places sustainability at the core of what it does. As a responsible real estate company, CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

Visit www.capitalandinvest.com for more information.



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Important Notice

This release may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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

The past performance of Ascott Residence Trust (“ART”) is not indicative of future performance. The listing of the stapled securities in ART (“**Stapled Securities**”) on the Singapore Exchange Securities Trading Limited (“SGX-ST”) does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

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

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