CAPITALAND ASCOTT TRUST
2023 FULL YEAR SUMMARY OF GROUP PERFORMANCE

TABLE OF CONTENTS

CAPITALAND ASCOTT TRUST
2023 FULL YEAR SUMMARY OF GROUP PERFORMANCE

Summary of Group Results

	2H 2023 S$'000	2H 2022 S$'000	Better / (Worse) %	YTD Dec 2023 S$'000	YTD Dec 2022 S$'000	Better / (Worse) %
Revenue	397,629	353,844	12	744,558	621,242	20
Gross Profit	183,892	164,618	12	338,249	282,818	20
Total Distribution [(1), (2)]	140,754	113,182	24	237,009	189,834	25
Distribution Per Stapled Security ("DPS") (cents)	3.80	3.33	14	6.57	5.67	16
<u>For information only</u> DPS (cents) (adjusted for one-off items) [(3)]	3.00	3.00	–	5.44	4.79	14

Notes:
1. Total distribution for 2H 2023 and FY 2023 included one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans and settlement of cross currency interest rate swaps.

2. Total distribution for 2H 2022 and FY 2022 included one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans.

3. Adjusted DPS for the one-off items mentioned in notes 1 and 2 above.

DISTRIBUTION AND RECORD DATE

On 14 August 2023, 191,755,000 new Stapled Securities were issued pursuant to the private placement. In order to ensure fairness to holders of the existing Stapled Securities, CLAS paid, in lieu of the scheduled semi-distribution, an advanced distribution of 0.701 cents per Stapled Security for the period from 1 July 2023 to 13 August 2023 (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 14 August 2023 to 31 December 2023. Semi-annual distributions will resume thereafter.

Distribution	**For 1 January 2023 to 30 June 2023**	For 1 July 2023 to 13 August 2023	For 14 August 2023 to 31 December 2023	**For 1 July 2023 to 31 December 2023**
Distribution Rate per Stapled Security	**2.778 cents**	0.701 cents	3.095 cents	**3.796 cents**
Record Date	**4 August 2023**	11 August 2023	6 February 2024	
Payment Date	**29 August 2023**	11 October 2023	29 February 2024	

CAPITALAND ASCOTT TRUST
2023 FULL YEAR SUMMARY OF GROUP PERFORMANCE

INTRODUCTION

CapitaLand Ascott Trust ("CLAS") is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT"), a real estate investment trust, and CapitaLand Ascott Business Trust ("CapitaLand Ascott BT"), a business trust (collectively, the "Group"). CapitaLand Ascott Trust Management Limited is the manager of CapitaLand Ascott REIT ("REIT Manager") and CapitaLand Ascott Business Trust Management Pte. Ltd. is the trustee-manager of CapitaLand Ascott BT ("BT Trustee-Manager") (collectively, the "Managers").

CLAS' objective is to invest 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, student accommodation and other hospitality assets. It has a portfolio of serviced residences, rental housing, student accommodation and hospitality properties across Asia Pacific, Europe and United States of America ("US"). CLAS' investment policy covers any country in the world.

On 31 March 2006, CapitaLand Ascott REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX") with an initial portfolio of 12 properties in five countries (Singapore, China, Indonesia, the Philippines and Vietnam). In 2010, CapitaLand Ascott REIT enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe.

CapitaLand Ascott REIT acquired its first property in the US in 2015. In 2018, CapitaLand Ascott REIT announced its maiden development project at Nepal Hill, Singapore to build the first coliving property, lyf one-north Singapore. The property commenced operations in November 2021.

On 31 December 2019, CapitaLand Ascott REIT completed the combination (the "Combination") with Ascendas Hospitality Trust ("A-HTRUST"), a stapled group comprising Ascendas Hospitality Real Estate Investment Trust ("A-HTRUST REIT") and Ascendas Hospitality Business Trust ("A-HTRUST BT").

CLAS has an active business trust component which derive certain of its income from non-passive income sources. Pursuant to the Property Funds Appendix, a Real Estate Investment Trust should not derive more than 10 per cent of its revenue from non-passive income sources. The CapitaLand Ascott BT Group has been put in place to hold such assets so as to facilitate compliance by CLAS with the Property Funds Appendix.

In July 2020, CLAS completed the sale of the partial gross floor area of Somerset Liang Court. The net proceeds are being redeployed for the redevelopment of the retained gross floor area, and the development is expected to complete in 2H 2025.

CLAS completed the acquisition of its first student accommodation property in US, Paloma West Midtown, in February 2021.

In March 2022, CLAS announced the acquisition of four turnkey rental housing properties and its first student accommodation property in Japan. The acquisition of two turnkey rental housing properties was completed in December 2022 and the remaining two acquisitions are completed in Q2 2023.

In June 2023, the development of the student accommodation property in South Carolina, US was completed. In September 2023, CLAS divested four serviced residence properties in regional France. On 30 November 2023, CLAS completed the acquisition of three properties in Indonesia, Ireland and United Kingdom.

As at 31 December 2023, CLAS' portfolio comprises 106 properties[1] with more than 19,000 units in 45 cities across 16 countries.

CLAS makes distributions to Stapled Securityholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar. Since its listing until FY2021, CLAS has paid 100% of its distribution income (other than gains from the sale of real estate properties).

[1] Include Somerset Liang Court (under development).

1(a)(i) Consolidated Statement of Total Return for 2H 2023 and 2H 2022

	Note	GROUP 2H 2023 S$'000	2H 2022 S$'000	Better / (Worse) %
Revenue	A.1	397,629	353,844	12
Direct expenses	A.2	(213,737)	(189,226)	(13)
Gross Profit	A.1	**183,892**	**164,618**	12
Depreciation of land and buildings, plant and machinery	A.3	(12,204)	(10,636)	(15)
Finance income	A.5	2,587	1,055	145
Other income	A.4	2,442	655	273
Finance costs	A.5	(45,120)	(37,678)	(20)
Managers' management fees	A.6	(17,336)	(16,120)	(8)
Trustee's fee		(462)	(434)	(6)
Professional fees	A.7	(4,273)	(2,716)	(57)
Audit fees	A.7	(1,778)	(2,076)	14
Foreign exchange gain / (loss)	A.8	11,468	(18,161)	163
Other operating expenses	A.9	(3,623)	(2,014)	(80)
Share of results of associate (net of tax)		23	19	21
Share of results of joint venture (net of tax)	A.10	–	4,549	n.m.
Net income		**115,616**	**81,061**	43
Net change in fair value of financial derivatives	A.11	(12,898)	(260)	n.m.
Net change in fair value of investment properties, investment properties under development and assets held for sale	A.12	101,132	122,353	(17)
Revaluation surplus on land and buildings	A.12	–	5,393	n.m.
Profit from divestments	A.13	15,975	47	n.m.
Investment properties written off		(77)	(44)	(75)
Total return for the period before tax		**219,748**	**208,550**	**5**
Income tax expense	A.14	(58,954)	(21,204)	(178)
Total return for the period after tax		**160,794**	**187,346**	**(14)**
Attributable to:				
Stapled Securityholders and perpetual securities holders		164,956	186,373	
Non-controlling interests		(4,162)	973	
Total return for the period		**160,794**	**187,346**	**(14)**

1(a)(i) Consolidated Statement of Total Return for YTD Dec 2023 and YTD Dec 2022

	GROUP		
	YTD Dec 2023 S$'000	**YTD Dec 2022 S$'000**	**Better / (Worse) %**
Revenue	744,558	621,242	20
Direct expenses	(406,309)	(338,424)	(20)
Gross Profit	**338,249**	**282,818**	**20**
Depreciation of land and buildings, plant and machinery	(24,620)	(20,496)	(20)
Finance income	4,434	1,468	202
Other income	3,032	1,308	132
Finance costs	(86,830)	(69,012)	(26)
Managers' management fees	(34,217)	(30,419)	(12)
Trustee's fee	(911)	(867)	(5)
Professional fees	(6,431)	(5,125)	(25)
Audit fees	(3,658)	(3,910)	6
Foreign exchange gain / (loss)	26,169	(24,394)	207
Other operating expenses	(5,590)	(3,843)	(45)
Share of results of associate (net of tax)	7	(27)	126
Share of results of joint venture (net of tax)	–	3,918	n.m.
Net income	**209,634**	**131,419**	**60**
Net change in fair value of financial derivatives	(24,327)	597	n.m.
Net change in fair value of investment properties, investment properties under development and assets held for sale	101,132	122,353	(17)
Revaluation surplus on land and buildings	–	5,393	n.m.
Profit from divestments	16,016	99	n.m.
Investment properties written off	(230)	(78)	(195)
Total return for the year before tax	**302,225**	**259,783**	16
Income tax expense	(72,444)	(33,563)	(116)
Total return for the year after tax	**229,781**	**226,220**	**2**
Attributable to:			
Stapled Securityholders and perpetual securities holders	231,255	223,305	
Non-controlling interests	(1,474)	2,915	
Total return for the year	**229,781**	**226,220**	**2**

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue for 2H 2023 of S$397.6 million comprised S$47.2 million (12% of total revenue) from properties on master leases, S$66.3 million (17%) from properties on management contracts with minimum guaranteed income and S$284.1 million (71%) from properties on management contracts.

Revenue for 2H 2023 increased by S$43.8 million or 12% as compared to 2H 2022. This was mainly attributed to:

- higher revenue of S$26.3 million from the existing portfolio;
- additional contribution of S$18.2 million from the acquisition of nine properties in Australia, France, Japan, Vietnam and US (acquired on 30 November 2022), two turnkey rental housing properties in Japan (acquired in December 2022), two turnkey rental housing properties in Japan (acquired in Q2 2023) and three properties in Indonesia, Ireland and United Kingdom (acquired on 30 November 2023); partially offset by the
- decrease in revenue of S$0.7 million from the divestment of four properties in regional France in September 2023.

The Group achieved a revenue per available unit ("REVPAU") of S$157 for 2H 2023, an increase of 10% as compared to 2H 2022.

Gross profit for 2H 2023 of S$183.9 million comprised S$42.7 million (23% of total gross profit) from properties on master leases, S$28.8 million (16%) from properties on management contracts with minimum guaranteed income and S$112.4 million (61%) from properties on management contracts.

As compared to 2H 2022, gross profit increased by S$19.3 million or 12%.

On a same store basis, revenue and gross profit increased by 8% and 5% respectively.

Please refer to para 2(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse)
	2H 2023 S$'000	2H 2022 S$'000	%
Depreciation and amortisation [1]	(7,131)	(7,899)	10
Staff costs [2]	(60,922)	(53,305)	(14)

Note:
1. Depreciation and amortisation were lower in 2H 2023 mainly due to fully depreciated assets.
2. Staff costs were higher in 2H 2023 mainly due to the acquisitions, change of contract type for Ascott Orchard Singapore and higher staffing to support the business at the properties with the resumption of international travelling.

A.3 Depreciation of land and buildings, plant and machinery

This relates to the depreciation of land and buildings, plant and machinery for the six hotels in Australia, the hotel in Ireland and The Robertson House by The Crest Collection ("The Robertson House").

Depreciation expense was higher in 2H 2023 mainly due to depreciation expense from The Robertson House, as it was previously classified as "investment properties" from 1 July 2022 to 30 September 2022 and not depreciated.

A.4 Other income

Other income was higher in 2H 2023 due to the interim payment of S$2.3 million received from the liquidator of Park Hotel CQ Pte. Ltd. (PHCQ), the former tenant under the master lease for Park Hotel Clarke Quay (currently known as The Robertson House).

As disclosed in the Managers' Q1 2021 Business Update and announcements dated 25 June 2021 and 28 August 2021, the master lease for Park Hotel Clarke Quay was terminated and CLAS took possession of the property. The sole shareholder and guarantor under the lease, Park Hotel Management Pte. Ltd. (PHMPL), was in liquidation and CLAS would work with the liquidators to recover the outstanding rent and damages due under the master lease. The former tenant, PHCQ, is now also currently under liquidation. PHMPL and the liquidators have commenced proceedings against Law Ching Hung, Park Hotel Group Management Pte Ltd, Good Movement Holdings Limited and SG Inst of Hospitality Pte Ltd for sums owed to PHMPL.

A.5 Finance income / Finance costs

Finance income was higher in 2H 2023 mainly due to higher fixed deposit placements and higher interest rates.

Finance costs were higher in 2H 2023 mainly due to interest expense incurred on the new bank loans drawn down for the acquisitions and higher interest rates on the floating rate loans.

A.6 Managers' management fees

Managers' management fees were higher in 2H 2023 mainly due to higher base fee (arising from the acquisitions made in 2H 2022 and during the year, and higher valuation of the properties) and higher performance fee arising from stronger operating performance.

A.7 Professional fees / Audit fees

Professional fees were higher in 2H 2023 mainly due to legal fees and liquidators' fees provided in relation to the legal claim by PHMPL and the liquidators (refer to Note A.4 for more details).

Audit fees were lower in 2H 2023 as 2H 2022 included under-provision of prior year's audit fees.

A.8 Foreign exchange gain / (loss)

The foreign exchange gain recognised in 2H 2023 mainly comprised realised exchange gain of S$29.6 million (mainly arising from repayment of foreign currency bank loans and settlement of cross currency interest rate swaps upon final maturity in 2H 2023) and unrealised exchange loss of S$18.1 million.

The unrealised exchange loss in 2H 2023 mainly arose from the reversal of unrealised gain on the foreign currency bank loans upon repayment (where there was realised exchange gain recognised upon repayment), unrealised exchange loss on JPY denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of JPY against SGD as at balance sheet date, and unrealised exchange loss on USD bank loans recorded by the China subsidiaries arising from appreciation of USD against RMB.

The unrealised exchange loss was partially offset by unrealised exchange gain on EUR and USD denominated shareholders' loans extended to the Group's subsidiaries as a result of appreciation of these currencies against SGD as at balance sheet date.

The foreign exchange loss recognised in 2H 2022 mainly comprised unrealised exchange loss of S$29.8 million and realised exchange gain of S$11.6 million (mainly arising from repayment of foreign currency bank loans).

The unrealised exchange loss in 2H 2022 mainly arose from AUD, EUR and JPY denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of these currencies against SGD as at balance sheet date, unrealised exchange loss on USD bank loans recorded by the China subsidiaries arising from appreciation of USD against RMB and unrealised exchange loss on USD bank loans recorded by the Philippines subsidiaries arising from appreciation of USD against PHP.

A.9 Other operating expenses

Other operating expenses were higher in 2H 2023 mainly due to higher provision for trust expenses (arising from higher number of stapled securityholders) and higher property, plant and equipment written off (mainly arising from renovation at The Robertson House).

A.10 Share of results of joint venture (net of tax)

From July 2022 to November 2022, the Group had a 45% stake in a student accommodation property in US. On 30 November 2022, the Group acquired additional 45% stake in the property, resulting in the entities being consolidated as part of the Group.

The decrease in the share of results of joint venture was due to the consolidation of the entities.

A.11 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts (entered into to hedge distribution income) and gain / loss on unwinding of cross currency interest rate swaps upon final maturity.

In 2H 2023, the loss in fair value of financial derivatives was mainly due to the unwinding of cross currency interest rate swaps upon their final maturity. There was realised exchange gain recognised upon net settlement of these cross currency interest rate swaps (refer to Note A.8).

A.12 Net change in fair value of investment properties, investment properties under development and assets held for sale / Revaluation surplus on land and buildings

This relates to the surplus on revaluation of investment properties, investment properties under development and assets held for sale. The surplus for 2H 2023 resulted mainly from higher valuation of the Group's properties in Europe, Japan, Singapore and United Kingdom, partially offset by lower valuation from the properties in China, Vietnam and USA.

In 2H 2022, the surplus on revaluation resulted mainly from higher valuation of the Group's properties in Australia, Singapore, United Kingdom and USA, partially offset by lower valuation from the properties in China and Vietnam.

In 2H 2022, the revaluation surplus on land and buildings relates to the six hotels in Australia.

A.13 Profit from divestments

In 2H 2023, this mainly relates to the profit from the divestment of four properties in regional France.

In 2H 2022, this mainly relates to the profit from the sale of one strata unit at Somerset Grand Citra Jakarta.

A.14 Income tax expense

Taxation for 2H 2023 was higher by S$37.8 million due to higher deferred tax expense (lower deferred tax expense in 2H 2022 due to reversal of deferred tax liability previously provided, upon liquidation of subsidiaries in Hong Kong, and recognition of deferred tax asset on unutilised tax losses) and higher current tax expense due to tax expense relating to the divestment of four properties in regional France.

1(b)(i) Statement of Financial Position

	Note	GROUP 31 Dec 2023 S$'000	31 Dec 2022 S$'000
Non-Current Assets			
Investment properties	B.1	6,501,017	6,103,633
Property, plant and equipment	B.2	1,001,941	944,878
Investment properties under development	B.3	268,000	385,707
Associate		2,985	3,035
Financial derivative assets	B.4	84,862	69,942
Deferred tax assets		14,578	14,875
		7,873,383	**7,522,070**
Current Assets			
Inventories		547	295
Trade and other receivables	B.5	109,556	112,187
Assets held for sale	B.6	307,227	1,020
Financial derivative assets	B.4	7,306	24,487
Cash and cash equivalents	B.7	432,806	363,634
	B.14	**857,442**	**501,623**
Total Assets		**8,730,825**	**8,023,693**
Non-Current Liabilities			
Financial liabilities	B.12	(2,485,999)	(2,472,880)
Financial derivative liabilities	B.4	(7,666)	(6,939)
Trade and other payables	B.8	(8,135)	(8,656)
Deferred income	B.9	(8,716)	(876)
Deferred tax liabilities		(195,325)	(160,883)
Lease liabilities	B.10	(253,677)	(257,368)
		(2,959,518)	**(2,907,602)**
Current Liabilities			
Financial liabilities	B.12	(562,362)	(401,706)
Financial derivative liabilities	B.4	–	(815)
Trade and other payables	B.11	(352,032)	(244,243)
Deferred income	B.9	(545)	(135)
Current tax liabilities		(15,786)	(14,751)
Lease liabilities	B.10	(10,288)	(9,646)
	B.14	**(941,013)**	**(671,296)**
Total Liabilities		**(3,900,531)**	**(3,578,898)**
Net Assets		**4,830,294**	**4,444,795**
Represented by:			
Stapled Securityholders' funds		4,356,353	3,965,436
Perpetual securities holders	B.13	396,298	396,298
Non-controlling interests		77,643	83,061
Total Equity		**4,830,294**	**4,444,795**

1(b)(ii) Explanatory Notes to Statement of Financial Position

B.1 Investment properties

The increase in the Group's investment properties as at 31 December 2023 was mainly due to:
- the acquisition of two turnkey rental housing properties in Japan in Q2 2023 and two properties in Indonesia and United Kingdom on 30 November 2023;
- increase in valuation on 31 December 2023; and
- transfer of Standard at Columbia (student accommodation property in US) from "investment properties under development" after it obtained its Temporary Certificate of Occupancy on 30 June 2023.

These increases are partially offset by:
- reclassification of four properties from "investment properties" to "assets held for sale" pursuant to the planned divestment of these properties as at 31 December 2023; and
- foreign currency translation differences (from translating the Group's investment properties mainly from depreciation of JPY and USD against SGD, mitigated by appreciation of EUR and GBP against SGD).

B.2 Property, plant and equipment

The increase in property, plant and equipment as at 31 December 2023 was mainly due to:
- acquisition of Temple Bar Hotel on 30 November 2023;
- fair value surplus on revaluation of the six hotels in Australia, The Robertson House and Temple Bar Hotel; and
- additions during FY 2023.

These increases are partially offset by:
- reclassification of two properties from "property, plant and equipment" to "assets held for sale" pursuant to the planned divestment of these properties as at 31 December 2023; and
- depreciation expense recognised during FY 2023.

B.3 Investment properties under development

Investment properties under development as at 31 December 2023 relate to the redevelopment of Somerset Liang Court Singapore.

The decrease in the investment properties under development as at 31 December 2023 was mainly due to the transfer of Standard at Columbia (student accommodation property in US) to "investment properties" after it obtained its Temporary Certificate of Occupancy on 30 June 2023. The decrease was partially offset by the capitalisation of costs relating to the redevelopment of Somerset Liang Court during the year.

B.4 Financial derivative assets / liabilities

The financial derivatives mainly relate to the fair value of interest rate swaps (entered into to hedge interest rate risk) and fair value of cross currency interest rate swaps (entered into to hedge foreign currency risk and interest rate risk).

Movement in financial derivatives during the period was mainly due to fair value change upon re-measurement of derivatives and new interest rate swaps and cross currency interest rate swaps entered into during the year.

B.5 Trade and other receivables

The decrease in the Group's trade and other receivables as at 31 December 2023 was mainly due to lower receivables from the master lessees due to collections during the year, partially offset by higher trade receivables and higher prepaid expenses.

B.6 Assets held for sale

The increase in the assets held for sale as at 31 December 2023 was mainly due to the reclassification of the four properties from "investment properties" and the two properties from "property, plant and equipment", partially offset by the sale of one strata unit at Somerset Grand Citra Jakarta during FY 2023.

B.7 Cash and cash equivalents

The increase in the Group's cash and cash equivalents as at 31 December 2023 was mainly due to cash generated from operations, partially offset by distribution payment to Stapled Securityholders.

B.8 Trade and other payables (non-current)

Trade and other payables (non-current) mainly comprised rental and other deposits.

B.9 Deferred income (current and non-current)

Deferred income of the Group relates to the following:

(a) cash reimbursement received from the hotel operator for the rebranding and renovation of The Robertson House; and

(b) difference between the considerations received for rental deposits and its fair value at initial recognition.

The increase in deferred income as at 31 December 2023 was mainly due to the cash reimbursement received from the hotel operator for the rebranding and renovation of The Robertson House, partially offset by the amortisation of deferred income recognised during FY 2023.

B.10 Lease liabilities (current and non-current)

The lease liabilities as at 31 December 2023 refer to the Group's obligation for lease payments in relation to the right-of-use assets (recognised as part of investment properties).

The increase in lease liabilities as at 31 December 2023 was mainly due to modification of lease liabilities for one of the properties in USA and lease liabilities for the United Kingdom property acquired on 30 November 2023.

B.11 Trade and other payables (current)

The increase in the trade and other payables as at 31 December 2023 was mainly due to the milestone payments of S$92.7 million for The Cavendish London and Temple Bar Hotel (acquired on 30 November 2023) which will be paid when 70% of the renovation of the two properties are completed.

B.12 Financial liabilities

The increase in current financial liabilities as at 31 December 2023 was mainly due to higher amount of bank loans and medium term notes which fall due in the next 12 months (previously under non-current liabilities as at 31 December 2022).

The increase in non-current financial liabilities as at 31 December 2023 was mainly due to draw down of bank loans to fund the acquisitions and distribution payment, partially offset by lower amount of non-current bank loans and medium term notes that are due after 12 months (as they are being recognised under current liabilities as at 31 December 2023) and translation differences from translating the foreign currency borrowings as a result of depreciation of JPY and USD against SGD.

Capital management

As at 31 December 2023, the Group's gearing was 37.9%, well below the 50% gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. In this regard, the lease liabilities recognised by virtue of FRS 116 *Leases* were excluded as these operating leases were entered into in the ordinary course of business and were in effect before 1 January 2019. The average cost of debts was 2.4% per annum, with a 12-month trailing interest cover of 4.0 times. S$2,468 million or 81% of the Group's borrowings are effectively on fixed interest rates, of which S$465 million is due in the next 12 months.

Out of the Group's total borrowings, 18% falls due in 2024, 10% falls due in 2025, 15% falls due in 2026, 14% falls due in 2027 and the balance falls due after 2027.

The Managers adopt a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2024, ahead of their maturity dates.

B.13 Perpetual securities

On 30 June 2015, CapitaLand Ascott REIT issued S$250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum, with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter. As announced on 29 May 2020, the S$250.0 million perpetual securities would not be redeemed. The distribution rate applicable to the perpetual securities was reset to 3.07% per annum on 30 June 2020.

On 4 September 2019, CapitaLand Ascott REIT issued S$150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum, with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter. The proceeds were used to redeem the S$150.0 million perpetual securities with its first call date on 27 October 2019.

Distributions are payable semi-annually in arrears at the discretion of CapitaLand Ascott REIT and will be non-cumulative. The perpetual securities have no fixed redemption date and redemption is at the option of CapitaLand Ascott REIT in accordance with the terms of issue of the perpetual securities.

B.14 Working capital

Notwithstanding the net current liabilities position, based on the Group's available financial resources, the Managers are of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2. Group Performance Review

2(a) Revenue and Gross Profit Analysis – 2H 2023 vs 2H 2022 (Local Currency (“LC”))

		Revenue [1]				Gross Profit [1]				REVPAU Analysis [2]		
		2H 2023	2H 2022	Better/ (Worse)		2H 2023	2H 2022	Better/ (Worse)		2H 2023	2H 2022	Better/ (Worse)
		LC’m		LC’m	%	LC’m		LC’m	%	LC/day		%
Master Leases												
Australia	AUD	5.9	5.7	0.2	4	5.4	5.3	0.1	2	–	–	–
France	EUR	11.2	10.0	1.2	12	10.0	9.2	0.8	9	–	–	–
Germany	EUR	5.9	4.2	1.7	40	5.1	3.8	1.3	34	–	–	–
Japan	JPY	1,287.5	1,041.2	246.3	24	1,156.2	945.3	210.9	22	–	–	–
South Korea	KRW	4,900.2	2,859.3	2,040.9	71	4,659.1	2,616.3	2,042.8	78	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	6.1	5.5	0.6	11	2.0	1.9	0.1	5	96	88	9
Ireland	EUR	1.1	–	1.1	n.m.	0.3	–	0.3	n.m	115	–	n.m
Singapore [3]	S$	15.6	12.0	3.6	30	7.1	9.3	(2.2)	(24)	352	437	(19)
Spain	EUR	3.7	2.9	0.8	28	1.8	1.4	0.4	29	139	103	35
United Kingdom	GBP	20.6	18.2	2.4	13	9.3	7.7	1.6	21	167	157	6
Management contracts												
Australia	AUD	94.5	90.8	3.7	4	25.0	26.7	(1.7)	(6)	158	148	7
China	RMB	66.2	63.1	3.1	5	15.4	17.9	(2.5)	(14)	305	283	8
Indonesia	IDR	90.4	77.1	13.3	17	31.1	30.1	1.0	3	1,131	1,045	8
Japan	JPY	3,099.2	1,837.0	1,262.2	69	1,782.4	912.2	870.2	95	15,652	6,913	126
Malaysia	MYR	6.7	6.4	0.3	5	1.3	1.8	(0.5)	(28)	175	164	7
Philippines	PHP	461.8	428.2	33.6	8	157.2	120.1	37.1	31	4,583	4,358	5
Singapore	S$	19.8	19.5	0.3	2	6.5	8.3	(1.8)	(22)	128	128	–
United States of America	USD	73.6	63.5	10.1	16	35.9	29.8	6.1	20	258	231	12
Vietnam	VND	331.5	266.9	64.6	24	162.4	133.6	28.8	22	1,390	1,244	12

[1] Revenue and Gross Profit figures are stated in millions, except for IDR and VND which are stated in billions.
[2] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for United States of America excludes the student accommodation properties. REVPAU for IDR and VND are stated in thousands.
[3] The master lease for Ascott Orchard has been converted to “Management Contracts with Minimum Guaranteed Income” from December 2022. For comparison purposes, the revenue and gross profit amounts for July 2022 to November 2022 has been reclassified from the “Master Leases” category to “Management Contracts with Minimum Guaranteed Income” category.

2(a) Revenue and Gross Profit Analysis – 2H 2023 vs. 2H 2022 (S$)

	Revenue				Gross Profit				REVPAU Analysis [1]		
	2H 2023	2H 2022	Better/ (Worse)		2H 2023	2H 2022	Better/ (Worse)		2H 2023	2H 2022	Better/ (Worse)
	S$'m		S$'m	%	S$'m		S$'m	%	S$/day		%
Master Leases											
Australia	5.2	5.3	(0.1)	(2)	4.8	5.0	(0.2)	(4)	–	–	–
France	16.3	14.1	2.2	16	14.6	13.0	1.6	12	–	–	–
Germany	8.6	5.9	2.7	46	7.5	5.3	2.2	42	–	–	–
Japan	12.1	10.5	1.6	15	11.0	9.4	1.6	17	–	–	–
South Korea	5.0	3.0	2.0	67	4.8	2.7	2.1	78	–	–	–
Sub-total	**47.2**	**38.8**	**8.4**	**22**	**42.7**	**35.4**	**7.3**	**21**	**–**	**–**	**–**
Management contracts with minimum guaranteed income											
Belgium	8.9	7.8	1.1	14	2.9	2.8	0.1	4	141	126	12
Ireland	1.6	–	1.6	n.m.	0.5	–	0.5	n.m.	168	–	n.m.
Singapore [2]	15.6	12.0	3.6	30	7.1	9.3	(2.2)	(24)	352	437	(19)
Spain	5.4	4.1	1.3	32	2.6	2.0	0.6	30	203	147	38
United Kingdom	34.8	30.3	4.5	15	15.7	12.8	2.9	23	283	262	8
Sub-total	**66.3**	**54.2**	**12.1**	**22**	**28.8**	**26.9**	**1.9**	**7**	**250**	**214**	**17**
Management contracts											
Australia	83.8	86.0	(2.2)	(3)	22.1	25.5	(3.4)	(13)	140	140	–
China	12.4	12.8	(0.4)	(3)	2.9	3.7	(0.8)	(22)	57	57	–
Indonesia	8.0	7.2	0.8	11	2.7	2.8	(0.1)	(4)	100	97	3
Japan	28.8	18.6	10.2	55	16.4	9.3	7.1	76	146	72	103
Malaysia	2.0	2.0	–	–	0.4	0.6	(0.2)	(33)	51	51	–
Philippines	11.1	10.7	0.4	4	3.8	3.0	0.8	27	110	109	1
Singapore	19.8	19.5	0.3	2	6.5	8.3	(1.8)	(22)	128	128	–
United States of America	99.3	88.3	11.0	12	48.3	41.2	7.1	17	348	320	9
Vietnam	18.9	15.7	3.2	20	9.3	7.9	1.4	18	79	73	8
Sub-total	**284.1**	**260.8**	**23.3**	**9**	**112.4**	**102.3**	**10.1**	**10**	**141**	**133**	**6**
Group	**397.6**	**353.8**	**43.8**	**12**	**183.9**	**164.6**	**19.3**	**12**	**157**	**143**	**10**

[1] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for United States of America excludes the student accommodation properties.

[2] The master lease for Ascott Orchard has been converted to "Management Contracts with Minimum Guaranteed Income" from December 2022. For comparison purposes, the revenue and gross profit amounts for July 2022 to November 2022 has been reclassified from the "Master Leases" category to "Management Contracts with Minimum Guaranteed Income" category.

Group

Please refer to Note A.1 of para 1(a)(ii) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

Australia

Revenue increased by AUD 0.2 million mainly due to additional contribution from Quest Cannon Hill (acquired on 30 November 2022), partially offset by adjustment of over-provision of prior year's rent and 1H 2023 rent in 2H 2023.

Gross profit increased by AUD 0.1 million due to higher revenue, partially offset by higher operation & maintenance expense and depreciation.

In SGD terms, revenue and gross profit decreased by S$0.1 million or 2% and S$0.2 million or 4% respectively due to depreciation of AUD against SGD, mitigated by stronger underlying performance.

France

Revenue increased by EUR 1.2 million or 12%. This was mainly due to additional contribution from La Clef Tour Eiffel (acquired on 30 November 2022) and higher recovery of costs, partially offset by the divestment of four properties in September 2023.

On a same store basis (excluding the contribution from La Clef Tour Eiffel and the four divested properties for both 2H 2023 and 2H 2022), revenue increased by 1%.

Gross profit increased by EUR 0.8 million or 9% mainly due to higher revenue (excluding recovery of costs).

In SGD terms, revenue and gross profit increased by S$2.2 million or 16% and S$1.6 million or 12% respectively due to stronger underlying performance and appreciation of EUR against SGD.

Germany

Revenue increased by EUR 1.7 million or 40% due to higher fixed rent, absence of rent adjustments and higher recovery of costs.

Revenue was lower in 2H 2022 as it included adjustment of over-provision of prior year's rent and rent waiver granted to one of the master lessees.

Gross profit increased by EUR 1.3 million or 34% due to higher revenue (excluding recovery of costs).

In SGD terms, revenue and gross profit increased by S$2.7 million or 46% and S$2.2 million or 42% respectively due to stronger underlying performance and appreciation of EUR against SGD.

Japan

This mainly relates to the contribution from the:
(a) three hotels, namely Hotel WBF Honmachi, Sotetsu Grand Fresa Osaka-Namba and Sotetsu Grand Fresa Tokyo-Bay Ariake; and
(b) a student accommodation property, Eslead College Gate Kindaimae.

Revenue increased by JPY 246.3 million or 24% mainly due to recognition of variable rent for two hotels (only fixed rent was recognised in 2H 2022).

Gross profit increased by JPY 210.9 million or 22% due to higher revenue, partially offset by higher operation & maintenance expense and property tax expense.

In SGD terms, revenue and gross profit increased by S$1.6 million or 15% and S$1.6 million or 17% respectively due to stronger underlying performance, partially offset by depreciation of JPY against SGD.

South Korea

Revenue increased by KRW 2,040.9 million or 71% due to higher rent as the operating performance of the property has improved in 2H 2023 and recognition of variable rent for one of the properties (only fixed rent was recognised in 2H 2022).

Gross profit increased by KRW 2,042.8 million or 78% due to higher revenue and lower property tax expense.

In SGD terms, revenue and gross profit increased by S$2.0 million or 67% and S$2.1 million or 78% respectively due to stronger underlying performance, partially offset by depreciation of KRW against SGD.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.6 million or 11% due to higher average daily rates achieved. REVPAU increased by 9% in 2H 2023.

Gross profit increased by EUR 0.1 million or 5% due to higher revenue, partially offset by higher staff costs, utilities expense and other operating expenses.

In SGD terms, revenue and gross profit increased by S$1.1 million or 14% and S$0.1 million or 4% respectively due to stronger underlying performance and appreciation of EUR against SGD.

Ireland

This relates to the contribution from Temple Bar Dublin acquired on 30 November 2023.

Singapore

This relates to the contribution from Ascott Orchard. The master lease for Ascott Orchard has been converted to “Management Contracts with Minimum Guaranteed Income” (“MCMGI”) from December 2022.

Under the master lease from July 2022 to November 2022, the revenue was based on a fixed and variable rent lease structure. With the change to MCMGI, the income stream is dependent on the underlying performance of the property with a minimum income guarantee being provided by the property operator if the property does not generate the minimum income.

Revenue increased by S$3.6 million or 30% due to change of contract type. Gross profit decreased by S$2.2 million or 24% due to higher operating expenses such as staff costs, operation & maintenance expense and marketing expenses, partially offset by higher revenue.

Spain

Revenue increased by EUR 0.8 million or 28% due to recovery from Covid-19 in 2H 2023. REVPAU increased by 35% in 2H 2023.

Gross profit increased by EUR 0.4 million or 29% due to higher revenue, partially offset by higher staff costs and marketing expense.

In SGD terms, revenue and gross profit increased by S$1.3 million or 32% and S$0.6 million or 30% respectively due to stronger underlying performance and appreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 2.4 million or 13% due to acquisition of Cavendish London on 30 November 2023 and higher average daily rates achieved boosted by leisure demand during the summer holidays, partially offset by lower revenue from Citadines Holborn due to commencement of renovation during 2H 2023. REVPAU increased by 6% in 2H 2023.

Gross profit increased by GBP 1.6 million or 21% due to higher revenue, lower property tax expense and utilities expense, partially offset by higher staff costs and operation & maintenance expense.

On a same store basis (excluding the contribution from Cavendish London acquired on 30 November 2023), revenue and gross profit increased by 5% and 12% respectively.

In SGD terms, revenue and gross profit increased by S$4.5 million or 15% and S$2.9 million or 23% respectively due to stronger underlying performance and appreciation of GBP against SGD.

C. Management contracts

Australia

Revenue increased by AUD 3.7 million or 4% due to uplift from large-scale sporting events such as the FIFA Women's World Cup being held in 2H 2023. REVPAU increased by 7% in 2H 2023.

Gross profit decreased by AUD 1.7 million or 6% due to higher staff costs, operation & maintenance expense and marketing expense, mitigated by higher revenue.

In SGD terms, revenue decreased by S$2.2 million or 3% due to depreciation of AUD against SGD, partially offset by stronger underlying performance. Gross profit decreased by S$3.4 million or 13%.

China

Revenue increased by RMB 3.1 million or 5% mainly due to higher average daily rates achieved with strong base from the corporate long stays and domestic leisure travel after ease of travel restriction. REVPAU increased by 8% in 2H 2023.

Gross profit decreased by RMB 2.5 million or 14% due to higher staff costs, operation & maintenance expense and property tax expense, mitigated by higher revenue.

In SGD terms, revenue decreased by S$0.4 million or 3% due to depreciation of RMB against SGD, partially offset by stronger underlying performance. Gross profit decreased by S$0.8 million or 22%.

Indonesia

Revenue increased by IDR 13.3 billion or 17% mainly due to the acquisition of Ascott Kuningan on 30 November 2023. REVPAU increased by 8% due to higher average daily rates achieved.

Gross profit increased by IDR 1.0 billion or 3% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

On a same store basis (excluding the contribution from Ascott Kuningan), revenue increased by 7% and gross profit decreased by 9%.

In SGD terms, revenue increased by S$0.8 million or 11% due to stronger underlying performance, partially offset by depreciation of IDR against SGD. Gross profit decreased by S$0.1 million or 4% due to depreciation of IDR against SGD, partially offset by stronger underlying performance.

Japan

Revenue increased by JPY 1,262.2 million or 69% due to stronger performance from the serviced residences, and the acquisition of nine rental housing properties (five properties in November 2022, two turnkey properties in December 2022, one turnkey property in April 2023 and one turnkey property in May 2023).

Gross profit increased by JPY 870.2 million or 95% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

On a same store basis (excluding the contribution from nine rental housing properties acquired in Q4 2022 and Q2 2023 and the 2 WBF hotels which are temporarily closed for both 2H 2023 and 2H 2022), revenue and gross profit increased by 48% and 56% respectively.

Revenue and gross profit from the serviced residences was higher by 121% and 336% in 2H 2023 respectively. REVPAU increased by 126% in 2H 2023 driven by higher leisure demand from both international and domestic sources with the full reopening of borders, the summer holiday season and autumn travel season.

WBF Kitasemba East and WBF Kitasemba West are temporarily closed.

Revenue and gross profit from the rental housing properties increased by 38% and 41% respectively in 2H 2023 due to the acquisition of nine rental housing properties in Q4 2022 and Q2 2023.

On a same store basis (excluding the contribution from the nine rental housing properties acquired in Q4 2022 and Q2 2023 for both 2H 2023 and 2H 2022), revenue from the contribution from the rental housing portfolio (which cater to local Japanese residents) increased by 1%. Gross profit decreased by 2% due to higher operation & maintenance expense, mitigated by higher revenue.

In SGD terms, revenue and gross profit increased by S$10.2 million or 55% and S$7.1 million or 76% respectively due to stronger underlying performance, partially offset by depreciation of JPY against SGD.

Malaysia

Revenue increased by MYR 0.3 million or 5% and REVPAU increased by 7% as compared to 2H 2022 due to higher average daily rates achieved.

Gross profit decreased by MYR 0.5 million or 28% due to higher staff costs, marketing expense and utilities expense, partially mitigated by higher revenue.

In SGD terms, revenue remained stable due to stronger underlying performance, offset by depreciation of MYR against SGD. Gross profit decreased by S$0.2 million or 33%.

The Philippines

Revenue increased by PHP 33.6 million or 8% due to more leisure and corporate demand which have higher average daily rates. REVPAU increased by 5%.

Gross profit increased by PHP 37.1 million or 31% due to higher revenue and lower utilities expense, partially offset by higher staff costs and marketing expense.

In SGD terms, revenue and gross profit increased by S$0.4 million or 4% and S$0.8 million or 27% respectively due to stronger underlying performance, partially offset by depreciation of PHP against SGD.

Singapore

Revenue increased by S$0.3 million or 2% due to increase in corporate and leisure transient demand arising from several MICE and city-wide events such as FI Grand Prix in 2H 2023 and higher food & beverage revenue from The Robertson House, partially offset by lower room revenue from The Roberston House (undergoing phased renovation since March 2023 and relaunched as The Robertson House in October 2023 under The Crest Collection). REVPAU remained at the same level in 2H 2023.

Gross profit decreased by S$1.8 million or 22% due to higher staff costs, operation & maintenance expense, property tax expense (due to increase in annual value) and marketing expense, mitigated by higher revenue.

Excluding the contribution from The Robertson House for both 2H 2023 and 2H 2022, revenue and gross profit from the serviced residences increased by 22% and 21% respectively.

The United States of America

Revenue increased by USD 10.1 million or 16% due to stronger performance from the hotels, contribution from Standard at Columbia (completed on 30 June 2023 and started to receive students for AY 2023 – 2024 in August 2023) and stronger performance from the remaining student accommodation properties.

Gross profit increased by USD 6.1 million or 20% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

On a same store basis (excluding the contribution from Standard at Columbia for 2H 2023), revenue and gross profit increased by 10% and 13% respectively.

Revenue from the hotels increased by 11% and REVPAU increased by 12% due to strong corporate and leisure demand in 2H 2023. Gross profit was higher by 21% in 2H 2023.

The contribution from the student accommodation properties increased by 26% driven by the contribution from Standard at Columbia (completed on 30 June 2023) and higher rental rates achieved. Gross profit was higher by 20% in 2H 2023.

On a same store basis (excluding the contribution from Standard at Columbia for 2H 2023), revenue and gross profit increased by 7% and 2% respectively.

In SGD terms, revenue and gross profit increased by S$11.0 million or 12% and S$7.1 million or 17% respectively due to stronger underlying performance, partially offset by depreciation of USD against SGD.

Vietnam

Revenue increased by VND 64.6 billion or 24% due to stronger demand from leisure and corporate travellers and additional contribution from Somerset Central TD Hai Phong City (acquired on 30 November 2022). REVPAU increased by 12% in 2H 2023.

Gross profit increased by VND 28.8 billion or 22% due to higher revenue, partially offset by higher staff costs, utilities expense and marketing expense.

On a same store basis (excluding the contribution from Somerset Central TD Hai Phong City for both 2H 2023 and 2H 2022), revenue and gross profit increased by 16% and 17% respectively.

In SGD terms, revenue and gross profit increased by S$3.2 million or 20% and S$1.4 million or 18% respectively due to stronger underlying performance, partially offset by depreciation of VND against SGD.

2(b) Revenue and Gross Profit Analysis – YTD Dec 2023 vs YTD Dec 2022 (Local Currency ("LC"))

		Revenue [1]				Gross Profit [1]				REVPAU Analysis [2]		
		YTD Dec 2023	YTD Dec 2022	Better/ (Worse)		YTD Dec 2023	YTD Dec 2022	Better/ (Worse)		YTD Dec 2023	YTD Dec 2022	Better/ (Worse)
		LC'm		LC'm	%	LC'm		LC'm	%	LC/day		%
Master Leases												
Australia	AUD	11.8	11.1	0.7	6	10.9	10.5	0.4	4	–	–	–
France	EUR	22.8	18.7	4.1	22	20.5	17.1	3.4	20	–	–	–
Germany	EUR	11.4	9.2	2.2	24	10.2	8.4	1.8	21	–	–	–
Japan	JPY	2,302.2	2,052.3	249.9	12	2,046.1	1,822.9	223.2	12	–	–	–
South Korea	KRW	8,179.7	5,075.4	3,104.3	61	7,668.3	4,602.6	3,065.7	67	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	12.0	8.2	3.8	46	3.9	2.3	1.6	70	96	63	52
Ireland	EUR	1.1	–	1.1	n.m.	0.3	–	0.3	n.m	115	–	n.m
Singapore [3]	S$	31.5	21.3	10.2	48	15.2	17.4	(2.2)	(13)	359	437	(18)
Spain	EUR	7.1	5.1	2.0	39	3.4	2.4	1.0	42	133	92	45
United Kingdom	GBP	37.4	30.5	6.9	23	16.3	13.3	3.0	23	158	132	20
Management contracts												
Australia	AUD	179.2	151.4	27.8	18	44.9	38.8	6.1	16	152	123	24
China	RMB	126.4	111.2	15.2	14	29.0	23.7	5.3	22	291	251	16
Indonesia	IDR	160.4	146.3	14.1	10	54.2	55.5	(1.3)	(2)	1,049	992	6
Japan	JPY	5,891.3	3,323.0	2,568.3	77	3,376.4	1,647.5	1,728.9	105	14,621	5,224	180
Malaysia	MYR	12.6	11.8	0.8	7	2.3	3.1	(0.8)	(26)	165	153	8
Philippines	PHP	925.3	765.7	159.6	21	308.7	215.0	93.7	44	4,629	3,913	18
Singapore	S$	37.1	30.1	7.0	23	13.6	11.8	1.8	15	122	100	22
United States of America	USD	130.3	109.4	20.9	19	59.4	48.3	11.1	23	224	187	20
Vietnam	VND	640.3	467.8	172.5	37	315.0	237.7	77.3	33	1,346	1,055	28

[1] Revenue and Gross Profit figures are stated in millions, except for IDR and VND which are stated in billions.
[2] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for United States of America excludes the student accommodation properties. REVPAU for IDR and VND are stated in thousands.
[3] The master lease for Ascott Orchard has been converted to "Management Contracts with Minimum Guaranteed Income" from December 2022. For comparison purposes, the revenue and gross profit amounts for YTD November 2022 has been reclassified from the "Master Leases" category to "Management Contracts with Minimum Guaranteed Income" category.

2(b) Revenue and Gross Profit Analysis – YTD Dec 2023 vs. YTD Dec 2022 (S$)

	Revenue				Gross Profit				REVPAU Analysis [1]		
	YTD Dec 2023	YTD Dec 2022	Better/ (Worse)		YTD Dec 2023	YTD Dec 2022	Better/ (Worse)		YTD Dec 2023	YTD Dec 2022	Better/ (Worse)
	S$'m		S$'m	%	S$'m		S$'m	%	S$/day		%
Master Leases											
Australia	10.6	10.6	–	–	9.8	10.0	(0.2)	(2)	–	–	–
France	33.1	27.2	5.9	22	29.8	25.0	4.8	19	–	–	–
Germany	16.6	13.4	3.2	24	14.8	12.2	2.6	21	–	–	–
Japan	22.2	22.0	0.2	1	19.7	19.5	0.2	1	–	–	–
South Korea	8.5	5.5	3.0	55	7.9	5.0	2.9	58	–	–	–
Sub-total	**91.0**	**78.7**	**12.3**	**16**	**82.0**	**71.7**	**10.3**	**14**	–	–	–
Management contracts with minimum guaranteed income											
Belgium	17.4	12.0	5.4	45	5.7	3.4	2.3	68	139	93	49
Ireland	1.6	–	1.6	n.m.	0.5	–	0.5	n.m.	168	–	n.m.
Singapore [2]	31.5	21.3	10.2	48	15.2	17.4	(2.2)	(13)	359	437	(18)
Spain	10.3	7.4	2.9	39	4.9	3.5	1.4	40	193	135	43
United Kingdom	62.4	52.4	10.0	19	27.2	22.8	4.4	19	263	227	16
Sub-total	**123.2**	**93.1**	**30.1**	**32**	**53.5**	**47.1**	**6.4**	**14**	**241**	**179**	**35**
Management contracts											
Australia	160.6	145.2	15.4	11	40.2	37.3	2.9	8	136	118	15
China	24.1	23.0	1.1	5	5.5	4.9	0.6	12	56	52	8
Indonesia	14.1	13.7	0.4	3	4.8	5.2	(0.4)	(8)	92	93	(1)
Japan	56.8	35.6	21.2	60	32.6	17.7	14.9	84	141	56	152
Malaysia	3.7	3.7	–	–	0.7	1.0	(0.3)	(30)	49	48	2
Philippines	22.3	19.6	2.7	14	7.4	5.5	1.9	35	112	100	12
Singapore	37.1	30.1	7.0	23	13.6	11.8	1.8	15	122	100	22
United States of America	175.1	150.9	24.2	16	79.9	66.6	13.3	20	301	258	17
Vietnam	36.5	27.6	8.9	32	18.0	14.0	4.0	29	77	62	24
Sub-total	**530.3**	**449.4**	**80.9**	**18**	**202.7**	**164.0**	**38.7**	**24**	**132**	**111**	**19**
Group	**744.5**	**621.2**	**123.3**	**20**	**338.2**	**282.8**	**55.4**	**20**	**148**	**120**	**23**

[1] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for United States of America excludes the student accommodation properties.

[2] The master lease for Ascott Orchard has been converted to "Management Contracts with Minimum Guaranteed Income" from December 2022. For comparison purposes, the revenue and gross profit amounts for YTD November 2022 has been reclassified from the "Master Leases" category to "Management Contracts with Minimum Guaranteed Income" category.

For the year ended 31 December 2023 ("YTD Dec 2023"), revenue increased by S$123.3 million as compared to the corresponding period last year ("YTD Dec 2022"). The increase in revenue was mainly due to:

- higher revenue of S$95.9 million from the existing portfolio,
- additional contribution of S$28.1 million from the properties acquired during FY 2023 and full year contribution from the properties acquired in FY 2022, partially offset by
- decrease in revenue of S$0.7 million from the divestment of four properties during FY 2023.

REVPAU increased by 23%, from S$120 in YTD Dec 2022 to S$148 in YTD Dec 2023.

Gross profit for YTD Dec 2023 increased by S$55.4 million or 20% mainly due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

2(c) Change in value of investment properties, investment properties under development and assets held for sale

The change in value of investment properties, investment properties under development and assets held for sale will affect the net asset value but has no impact on the total distribution to Stapled Securityholders.

Any increase or decrease in value is credited or charged to the Statement of Total Return as net appreciation or depreciation on revaluation of investment properties, investment properties under development and assets held for sale.

As at 31 December 2023, independent full valuations were carried out by HVS (except for the three hotel properties in USA, the six hotel properties in Australia, the two hotel properties in South Korea and the eight student accommodation properties in USA).

For the three hotel properties in USA and the six hotel properties in Australia, the valuations were carried out by Colliers. For the two hotel properties in South Korea, the valuations were carried out by CBRE. For the eight student accommodation properties in USA, the valuations were carried out by JLL Valuation & Advisory Services, LLC.

In determining the fair value of the Group's portfolio, the discounted cash flow method, direct capitalisation method and residual land method were used.

The Group's portfolio was revalued at S$7.8 billion, resulting in a surplus of S$156.0 million of which S$101.1 million was recognised in the Consolidated Statement of Total Return and S$54.9 million was recognised in the Asset Revaluation Reserve on the balance sheet in 2H 2023. The surplus for 2H 2023 resulted mainly from higher valuation of the Group's properties in Singapore, Europe, Japan, Australia and United Kingdom, partially offset by lower valuation from the properties in China, Vietnam and USA. The net impact on the Consolidated Statement of Total Return was S$75.1 million (net of tax and non-controlling interests).

3. <u>Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice</u>

The condensed interim financial statements of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group") which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2023, the Statement of Total Return for the six-month period ended 31 December 2023 and full year ended 31 December 2023, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott REIT Group for the full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group") which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Total Return and Statement of Comprehensive Income for the six-month period ended 31 December 2023 and full year ended 31 December 2023, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott BT Group for the full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CapitaLand Ascott Trust, which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2023, the Statement of Total Return for the six-month period ended 31 December 2023 and full year ended 31 December 2023, Distribution Statement, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of CapitaLand Ascott Trust for the full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

4. Variance from forecast

The Group has not disclosed any forecast to the market.

5. Commentary of the significant trends and the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The global economy is expected to grow at a slower pace of 2.9% in 2024 on the back of economic challenges and geopolitical tensions[1]. Against this backdrop, the outlook for interest rates has turned more dovish, with the policy rate likely at or near its peak of the tightening cycle. The actual policy path would depend on economic developments[2].

On the travel front, the United Nations World Tourism Organization expects international travel to fully recover to pre-pandemic levels during the same year[3]. The International Air Transport Association expects higher demand for air travel in 2024, surpassing the figures recorded in 2019 by about 4%[4].

Amidst the macroeconomic and geopolitical uncertainties, CLAS maintains a cautiously optimistic view on the demand for lodging. CLAS' performance is expected to remain resilient given its geographic diversification, range of lodging asset classes and different contract types, which give rise to a balanced mix of stable and growth income. RevPAU growth, which may moderate after the strong rebound in FY 2023, is expected to be primarily driven by increased occupancies as average daily rates stabilise.

The acquisition of the three lodging properties in London, Dublin and Jakarta was completed in November 2023 and the properties have started to contribute income to CLAS. The turnkey acquisition of Teriha Ocean Stage, a rental housing property in Fukuoka, Japan, was completed in January 2024.

In line with its portfolio reconstitution strategy, CLAS has entered into agreements to divest its mature properties at premium to book value, which will unlock gains for Stapled Securityholders. The divestments of the three properties in Osaka, Japan and Courtyard by Marriott Sydney-North Ryde in Australia are expected to be completed in 1Q 2024, and the divestment of Novotel Sydney Parramatta in Australia is expected to be completed in 3Q 2024. The proceeds of these divestments may be deployed towards more optimal uses, such as investing in higher-yielding assets, funding asset enhancement initiatives or paring down debt.

To uplift the value and profitability of its portfolio, CLAS has announced asset enhancement plans for eight of the properties. The rebranding and refurbishment of Riverside Hotel Robertson Quay into The Robertson House by The Crest Collection is expected to be completed in 1Q 2024. The remaining projects are expected to be completed between 2024 to 2026.

CLAS has a healthy financial position and will continue to adopt an active and prudent approach towards capital management. As at 31 December 2023, CLAS' average cost of debt was 2.4% and it is expected to increase in FY 2024 as some of the debt is refinanced. However, the increase will be mitigated, with about 81% of CLAS' debt effectively on fixed rates. CLAS' gearing and interest cover are healthy at 37.9% and 4.0 times respectively. CLAS' exposure to foreign exchange movements is mitigated by its geographically diversified portfolio and hedging strategies.

Sources:
1 "Global recovery remains slow, with growing regional divergences and little margin for policy error" (International Monetary Fund), October 2023
2 "Fed officials in December saw rate cuts likely, but path highly uncertain, minutes show" (CNBC), January 2024
3 "International tourism to reach pre-pandemic levels in 2024" (United Nations World Tourism Organization), January 2024
4 "Airlines set to earn 2.7% net profit margin on record revenues in 2024" (IATA), December 2023

6. Distributions

On 14 August 2023, 191,755,000 new Stapled Securities were issued pursuant to the private placement. CLAS paid, in lieu of the scheduled semi-distribution, an advanced distribution of 0.701 cents per Stapled Security for the period from 1 July 2023 to 13 August 2023 (prior to the date on which the new Stapled Securities are issued pursuant to the private placement).

On 24 August 2022, 151,786,000 new Stapled Securities were issued pursuant to the private placement. CLAS paid, in lieu of the scheduled semi-distribution, an advanced distribution of 1.078 cents per Stapled Security for the period from 1 July 2022 to 23 August 2022 (prior to the date on which the new Stapled Securities are issued pursuant to the private placement).

6(a) **Current financial period**
Any distributions declared for the current financial period? Yes
Period of distribution: Distribution for 14 August 2023 to 31 December 2023

Distribution Type	**Distribution Rate (cents)**
Taxable Income	0.256
Tax Exempt Income	2.378
Capital	0.461
Total	**3.095**

6(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding financial period? Yes
Period of distribution: Distribution for 24 August 2022 to 31 December 2022

Distribution Type	**Distribution Rate (cents)**
Taxable Income	0.347
Tax Exempt Income	1.081
Capital	0.827
Total	**2.255**

6(c) Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all Stapled Securityholders.

Capital Distribution

Capital distribution represents a return of capital to Stapled Securityholders for tax purposes and is therefore not subject to income tax. For Stapled Securityholders who are liable to tax on profits from sale of Stapled Securities, the amount of capital distribution will be applied to reduce the cost base of their Stapled Securities for tax purposes.

Other Gains Distribution

Distribution of other gains is not taxable in the hand of Stapled Securities holders.

6(d) Record date : 6 February 2024

6(e) Date payable : 29 February 2024

7. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

8. General mandate for Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from Stapled Securityholders for IPT.

9. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Managers confirm that they have procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 2 on the review.

11. Breakdown of Revenue and Total Return

	FY 2023 S$'000	FY 2022 S$'000	Better/ (Worse) %
(a) Revenue reported for first half year	346,929	267,398	30
(b) Total return after taxation reported for first half year	68,987	38,874	77
(c) Revenue reported for second half year	397,629	353,844	12
(d) Total return after taxation reported for second half year	160,794	187,346	(14)

12. Breakdown of Total Distributions

	FY 2023 S$'000	FY 2022 S$'000
1 January 2022 to 30 June 2022 - paid	–	76,648
1 July 2022 to 23 August 2022 - paid	–	35,468
24 August 2022 to 31 December 2022 - paid	–	77,699
1 January 2023 to 30 June 2023 - paid	96,209	–
1 July 2023 to 13 August 2023 - paid	24,303	–
14 August 2023 to 31 December 2023 - to be paid	116,497	–

13. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, CapitaLand Ascott Trust Management Limited, being the manager of CapitaLand Ascott REIT, and CapitaLand Ascott Business Trust Management Pte. Ltd., being the trustee-manager of CapitaLand Ascott Business Trust (collectively, the "Managers") confirm that there is no person occupying a managerial position in the Managers or in any of its or CapitaLand Ascott Trust's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Managers or substantial Stapled Securityholder of CapitaLand Ascott Trust.

On behalf of the Board of Directors

Tan Beng Hai Chairman	Serena Teo Director

This release 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 other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.

BY ORDER OF THE BOARD
CapitaLand Ascott Trust Management Limited
(Company registration no. 200516209Z)
As Manager of CapitaLand Ascott Real Estate Investment Trust

BY ORDER OF THE BOARD
CapitaLand Ascott Business Trust Management Pte. Ltd.
(Company registration no. 201925299R)
As Trustee-Manager of CapitaLand Ascott Business Trust

Karen Chan
Company Secretary

29 January 2024