

NEWS RELEASE

**CapitaLand Ascott Trust proposes to divest
Citadines Central Shinjuku Tokyo for JPY25 billion
at about 100% premium above book value
*Divestment is part of portfolio reconstitution strategy to
enhance returns to Stapled Securityholders***

Singapore, 31 July 2025 – CapitaLand Ascott Trust (CLAS) is proposing to divest Citadines Central Shinjuku Tokyo for JPY25 billion (S\$222.7 million¹). The proposed divestment is at about 100% premium over the book value² and approximately 40.4% premium to the average of two independent valuations³. The exit earnings before interest, taxes, depreciation and amortisation (EBITDA) yield is 3.2%⁴. The divestment will unlock an estimated net gain after tax of JPY5.7 billion (S\$50.8 million) and generate net proceeds of approximately JPY21 billion (S\$187.4 million).

The divestment is part of CLAS' portfolio reconstitution strategy. CLAS can redeploy capital into more effective uses such as repaying higher-interest debt, funding asset enhancement initiatives (AEIs), reinvesting in higher-yielding properties and/or for general corporate purposes. It also enhances CLAS' financial flexibility to distribute divestment gains or mitigate the short-term impact of AEIs or macroeconomic downturns, when appropriate. CLAS will seek Stapled Securityholders' approval for the divestment at an Extraordinary General Meeting scheduled for September 2025. The transaction is expected to be completed by 4Q 2025.

Assuming the net proceeds are used to repay debt, and after accounting for the loss of income from the divestment, Distribution per Stapled Security (DPS) is expected to increase by 1% on a FY 2024 pro forma basis. CLAS' aggregate leverage is also expected to improve from 39.6% as at 30 June 2025 to 37.8%, while debt headroom is expected to rise from about S\$1.8 billion as at 30 June 2025 to about S\$2.0 billion on a pro forma basis.

Ms Serena Teo, Chief Executive Officer of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (the Managers of CLAS), said: "After evaluating the property's age, substantial capital expenditure required and the potential income loss during renovation, we are proposing to divest Citadines Central Shinjuku Tokyo at this opportune time. It will enhance our financial flexibility to further optimise our portfolio.

¹ Based on exchange rate of JPY1 to S\$0.008908 unless stated otherwise.

² As at 30 June 2025.

³ As at 10 July 2025.

⁴ Based on the property's FY 2024 EBITDA.

Post-divestment, Japan is expected to contribute about 16% to CLAS' gross profit⁵. We continue to seek more yield-accretive investment opportunities in the country to deliver long-term value to our Stapled Securityholders."

"Japan remains a key market for CLAS. The country's rising pace of urban migration and limited supply of prime housing options bode well for our rental housing assets, strengthening our resilient income base. In 1H 2025, CLAS' rental housing portfolio continued to generate stable income with an average occupancy rate of over 95%. Japan also continues to enjoy strong international travel demand, boosting the performance of our hospitality assets such as serviced residences and hotels," added Ms Teo.

In 1H 2025, Japan was one of CLAS' strongest performing markets, with both revenue and gross profit from its Japan properties increasing 12% year-on-year (y-o-y) respectively. On a same-store basis⁶, revenue and gross profit of CLAS' Japan portfolio increased 7% and 9% y-o-y respectively. Post-divestment, CLAS will have 29 assets in the country, comprising one serviced residence, four hotels, 23 rental housing properties and a student accommodation property.

Proven track record of recycling capital towards more optimal uses to strengthen portfolio

CLAS has a strong track record of divesting assets at a premium to book value and redeploying capital towards more optimal uses. As part of its portfolio reconstitution strategy, CLAS has completed nine divestments totalling over S\$500 million at up to 55% premium to book value since 2024. CLAS has invested about S\$530 million in five yield-accretive acquisitions⁷ over the same period.

Divestment proceeds have also been utilised to fund AEIs to uplift asset value and profitability. From 2024 to 1H 2025, CLAS completed AEIs for seven properties⁸ located in gateway cities such as Berlin, Dublin, London, Paris, Seoul and Singapore.

CLAS has AEIs planned for four remaining properties, namely, Citadines République Paris in France, The Cavendish London in the United Kingdom, Sydney Central Hotel in Australia and Sotetsu Grand Fresa Osaka-Namba in Japan. The total capital expenditure for these four AEIs is approximately S\$205 million, of which CLAS will invest approximately S\$145 million. The remaining amount will be funded by the master lessee or operator of the properties. These AEIs are slated for completion in 2026⁹.

About Citadines Central Shinjuku Tokyo

Citadines Central Shinjuku Tokyo is situated in Kabukicho, Shinjuku's main entertainment area. Completed in 2008, the 206-unit property is surrounded by a plethora of retail, dining and

⁵ Based on CLAS' 1H 2025 gross profit.

⁶ Excluding acquisitions and divestments between 1H 2024 and 1H 2025.

⁷ Teriha Ocean Stage, ibis Styles Tokyo Ginza and Chisun Budget Kanazawa Ekimae in Japan, remaining 10% stake in Standard at Columbia in the United States of America and lyf Funan Singapore.

⁸ The Robertson House by The Crest Collection in Singapore, Citadines Les Halles Paris, Citadines Kurfürstendamm Berlin, La Clef Tour Eiffel Paris, Citadines Holborn-Covent Garden London, Temple Bar Hotel Dublin by The Unlimited Collection and ibis Ambassador Seoul Insadong.

⁹ Timelines of the AEIs are subject to change. AEI schedules may be adjusted as appropriate in view of macroeconomic and market conditions.

lifestyle options. JR Shinjuku Station is less than a 10-minute walk away, offering convenient access to the rest of the city via the metro, to other parts of Japan via the regional train network, and to Narita International Airport.

About CapitaLand Ascott Trust (www.capitalandascotttrust.com)

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S\$8.8 billion as at 30 June 2025. CLAS' 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. CLAS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 101 properties with more than 18,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America as at 30 June 2025.

CLAS' properties are mostly operated under the Ascott, 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.

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore in 2021, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at March 2025, CLI had S\$117 billion of funds under management held via stakes in seven listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in demographics, disruption and digitalisation-themed strategies. Its diversified real asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand Group's development arm. In 2025, CapitaLand Group celebrates 25 years of excellence in real estate and continues to innovate and shape the industry.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. 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.

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 the fairness, accuracy, completeness or correctness of the information or opinions contained in this release. Neither CapitaLand Ascott Trust Management Limited nor CapitaLand Ascott Business Trust Management Pte. Ltd. ("Managers") nor any of their respective holding companies, subsidiaries, associated undertakings, controlling persons, affiliates, directors, officers, partners, employees, agents, advisers or representatives, undertake to update or revise any information on the basis of any subsequent developments, information or events, or otherwise, nor shall they 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 CapitaLand Ascott Trust ("CLAS") is not indicative of future performance. The listing of the Stapled Securities in CLAS ("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.

Issued by:**CapitaLand Ascott Trust Management Limited****CapitaLand Ascott Business Trust Management Pte. Ltd.**

168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Tel: (65) 6713 2888 Fax: (65) 6713 2999

Website: <https://www.capitalandascotttrust.com>**For more information, please contact:****Analyst contact**

Denise Wong

Head, Investor Relations & Sustainability

Tel: +65 6713 2151

Email: denise.wong@the-ascott.com**Media contact**

Joan Tan

Vice President, Group Communications

Tel: +65 6713 2864 / HP: +65 9743 9503

Email: joan.tanzm@capitaland.com