



ASCOTT RESIDENCE TRUST

A stapled group comprising:

Ascott Real Estate Investment Trust
(A real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

Managed by
Ascott Residence Trust Management Limited
(Company Registration No. 200516209Z)

Ascott Business Trust
(A business trust constituted on 9 September 2019 under the laws of the Republic of Singapore)

Managed by
Ascott Business Trust Management Pte. Ltd.
(Company Registration No. 201925299R)

ANNOUNCEMENT

PROFIT GUIDANCE ON UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Ascott Residence Trust Management Limited, as manager of Ascott Real Estate Investment Trust and Ascott Business Trust Management Pte. Ltd., as trustee-manager of Ascott Business Trust (collectively, the “**Managers**”), refer to the following announcements issued by the Managers which contain information relating to Ascott Residence Trust’s (“**ART**”) performance amidst the COVID-19 pandemic:

- Responses to Substantial and Relevant Questions in relation to Annual General Meeting issued on 15 June 2020;
- 1Q 2020 Business Updates issued on 30 April 2020; and
- Update on COVID-19 issued on 9 April 2020.

The Managers have guided that ART’s financial performance is expected to be adversely impacted due to the unprecedented disruption brought about by the COVID-19 pandemic. With travel restrictions imposed almost universally, travel and hospitality are amongst the most affected sectors. According to The World Tourism Organization (“**UNWTO**”), international tourist arrivals declined 44% year-on-year from January to April 2020 and plunged 97% year-on-year in April 2020¹. This has led to a marked reduction in the demand for accommodation globally in the first half of 2020.

¹ “*New Data Shows Impact of COVID-19 on Tourism as UNWTO Calls for Responsible Restart of the Sector*” (22 June 2020), The World Tourism Organization (UNWTO)

For the full year of 2020, UNWTO expects international tourist numbers to deteriorate between 58% to 78% versus last year¹. Even as countries begin to ease movement restrictions and restart their economies, most international borders remain closed.

ART's geographically diversified portfolio has, under usual business conditions, provided resilience to ART's earnings. Extensive global travel restrictions, however, have brought travel to a standstill and impacted occupancies significantly. As the timing of a full recovery remains uncertain, we expect the RevPAU of our properties to remain under pressure in the near term.

On the back of the challenging global environment in the first half of 2020, the Managers wish to inform stapled securityholders of ART ("**Stapled Securityholders**") -

- (i) ART's available income for distribution for the six months ended 30 June 2020 ("**1H 2020**") is expected to reduce by 55% to 65%² from the S\$74.6 million recorded for the six months period ended 30 June 2019 ("**1H 2019**"); and
- (ii) ART's distribution per stapled security for 1H 2020 is expected to reduce by 65% to 75%² from the 3.43 Singapore cents recorded for 1H 2019; and
- (iii) As announced on 26 February 2020, ART will conduct property valuation on an annual basis instead of a half yearly basis. Any fair value gains or losses on properties will only be recorded in the full year results, and accordingly, will not be comparable in 1H 2020 to that for 1H 2019.

ART's total return for 1H 2020 is expected to reduce by 80% to 90%² from the S\$212.5 million recorded for 1H 2019. In 1H 2019, ART recorded fair value gains of S\$140.6 million (after tax and minority interest), which included a realised fair value gain of S\$135.0 million arising from the divestment of Ascott Raffles Place Singapore³.

Excluding the fair value gains for 1H 2019, ART's total return for 1H 2020 is expected to reduce by 55% to 65%² as compared to 1H 2019.

ART has sufficient liquidity to meet its operational needs and financial commitments. However, in view of the uncertainty surrounding the COVID-19 situation, the Managers are exercising prudence in capital and cash flow management and may review the level of distribution payout to Stapled Securityholders.

The Managers will closely monitor the situation and provide further update(s) as and when there are material developments in accordance with the listing manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Managers will release the 1H 2020 financial results on 28 July 2020 before trading hours.

Stapled Securityholders and potential investors are advised to exercise caution when dealing or trading in the stapled securities of ART.

² These are based on preliminary estimates which may change as the Managers finalise the financial statement for 1H 2020.

³ On 9 January 2019, ART entered into the sale and purchase agreement to divest Ascott Raffles Place Singapore. The fair value gain of S\$135.0 million was recognised in the first quarter of 2019 and the divestment was completed on 9 May 2019.

By Order of the Board

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

(Company Registration No. 200516209Z)

As manager of Ascott Real Estate Investment Trust

ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

(Company Registration No. 201925299R)

As trustee-manager of Ascott Business Trust

Karen Chan

Company Secretary

13 July 2020

IMPORTANT NOTICE

The past performance of Ascott Residence Trust (“**ART**”) is not indicative of future performance. The listing of the stapled securities in ART (the “**Stapled Securities**”) on Singapore Exchange Securities Trading Limited (the “**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, Ascott Residence Trust Management Limited as manager of Ascott Real Estate Investment Trust or Ascott Business Trust Management Pte. Ltd. as trustee-manager of Ascott Business Trust (collectively, the “**Managers**”) or any of their respective 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 announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.