ASCOTT RESIDENCE TRUST
A Member of CapitaLand Investment

Ascott Residence Trust Management Limited
(Manager of Ascott Real Estate Investment Trust) *(Regn No.: 200516209Z)*
Ascott Business Trust Management Pte. Ltd.
(Trustee-Manager of Ascott Business Trust) *(Regn No.: 201925299R)*
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NEWS RELEASE

ASCOTT RESIDENCE TRUST ACHIEVES STRONG RECOVERY WITH HIGHEST GROWTH IN QUARTERLY REVENUE PER AVAILABLE UNIT OF 85% IN 2Q 2022

Increases distribution per Stapled Security by 14% year-on-year to 2.33 cents in 1H 2022

Singapore, 29 July 2022 – Ascott Residence Trust (ART) has achieved strong recovery with the highest quarterly increase in revenue per available unit (REVPAU[1]) of 85% in 2Q 2022 since 2Q 2020. ART's REVPAU jumped 91% to S$124 in 2Q 2022 compared to 2Q 2021. Its robust operating performance was due to higher average daily rate and average occupancy rate which grew from about 50% in 1Q 2022 to about 70% in 2Q 2022. ART's properties in United States of America (USA), United Kingdom, Singapore and Australia registered the strongest quarter-on-quarter growth in REVPAU. In 1H 2022, REVPAU rose 60% to S$96 compared to the previous year.

ART has increased its distribution per Stapled Security (DPS) for 1H 2022 by 14% to 2.33 cents compared to 1H 2021. ART's total distribution also grew 20% to S$76.7 million compared to 1H 2021. The total distribution for 1H 2022 included realised exchange gain arising from repayment of foreign currency bank loans. Excluding one-off items[2], ART's adjusted DPS rose 120% year-on-year to 1.78 cents on stronger operating performance.

Revenue for 1H 2022 increased by 45% to S$267.4 million compared to 1H 2021. This was mainly attributed to higher revenue from ART's existing portfolio, contributions from its expanded portfolio of longer-stay assets comprising student accommodation and rental housing properties, as well as from the newly opened lyf one-north Singapore. Gross profit for 1H 2022 also grew 44% to S$118.2 million compared to 1H 2021. On a same store basis[3], revenue and gross profit in 1H 2022 increased by 32% and 28% respectively compared to 1H 2021.

Mr Bob Tan, Chairman of Ascott Residence Trust Management Limited (ARTML) and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "As the global travel recovery continues, our serviced residences and hotels have contributed more growth income. This builds upon the steady income stream from our strong foundation of longer-stay assets. ART's diversified and resilient portfolio remains poised for further growth. In addition, our robust financial position gives us the capacity to achieve our asset allocation target of 25-30% in longer-stay assets and 70-75% of our portfolio in serviced residences and hotels."

[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] Excluding one-off items comprising (1) distribution top up of S$20 million in 1H 2021, (2) realised exchange gain on repayment of foreign currency bank loans in 1H 2021 and 1H 2022, (3) realised exchange gain on the receipt of the divestment proceeds in 1H 2021 and (4) termination fee income in 1H 2021

[3] Excluding acquisitions and divestments

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Ms Serena Teo, Chief Executive Officer of ARTML and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "As Asia Pacific's largest hospitality trust, ART is a key barometer of the sector's performance. Our quality hospitality properties remain highly sought-after by corporate and leisure guests, and the pent-up demand has enabled ART to achieve our highest increase in REVPAU over the last quarter. We are seeing strong forward bookings at our properties and we expect this demand to sustain. With our geographically diverse network of serviced residences and hotels in key gateway cities and large domestic markets, ART has the agility to price our room rates dynamically to abate rising utility and labour costs, and better capture growth opportunities. As our properties cater mainly to long-stay guests, we have lower manning requirements and leaner cost structures. ART's stable income base is expected to cushion the impact from recessionary concerns, rising inflation and macroeconomic uncertainties."

<u>Enhancing the resilience of ART's portfolio through the longer-stay segment</u>
ART's stable income sources[4] contributed 68% of its gross profit in 1H 2022 while the remaining 32% were income from management contracts from serviced residences and hotels.

ART's seven operating student accommodation properties in the USA and three rental housing properties in Japan acquired over the last year have strong average occupancy rate of over 95%. For the student accommodation properties in USA, favourable pre-leasing for the next academic year have been observed with three of the properties being fully leased. The average pre-leasing rate of the student accommodation properties is about 95%; with an expected rent growth of about 8% year-on-year.

In March 2022, ART completed the acquisition of its first student accommodation property in Japan, Eslead College Gate Kindaimae. When the acquisition of four rental housing properties is completed between 4Q 2022 and 2Q 2023, they are expected to further add to the stable income streams of ART. The acquisition will increase ART's longer-stay properties to 17% of its total portfolio value, keeping ART on track to achieve its medium-term asset allocation target of 25-30%.

<u>Rejuvenating ART's portfolio with new developments</u>
Two properties in ART's portfolio are currently under development. The student accommodation Standard at Columbia in the USA has topped out in 2Q 2022 and is expected to complete in 2Q 2023. Construction of the new Somerset serviced residence at the Liang Court site in Singapore remains on track for completion in 2H 2025.

<u>ART's leadership in sustainability</u>
ART consolidated its reputation as a leader in sustainability. In April 2022, ART was the first hospitality trust in the world to launch a S$200 million sustainability-linked bond. Building on its recognition as the 2021 'Global Sector Leader - Hotel' in GRESB, ART has greened 35% of its global portfolio by square metre and aims to green 50% of its global portfolio by 2025 and 100% of its global portfolio by 2030.

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

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Strengthening ART's financial position through disciplined capital and cashflow management
ART has strong financial capacity and healthy liquidity position. As at 30 June 2022, ART had a total of approximately S$1.12 billion in cash on-hand and available credit facilities. ART has a debt headroom of S$1.8 billion and a gearing of 37.5%, which is well below the 50% gearing threshold set by the Monetary Authority of Singapore.

To mitigate the impact of rising interest rates, about 79% of debt are effectively on fixed interest rates as at 30 June 2022. The weighted average debt to maturity is about three years. Furthermore, ART's debt is denominated in various foreign currencies, with interest rates rising at different degrees across the countries. ART's effective borrowing cost remains low at 1.7% per annum.

Summary of Results

	1H 2022	1H 2021	Variance %
Revenue (S$ million)	267.4	185.0	45
Gross Profit (S$ million)	118.2	82.1	44
Total Distribution (S$ million) (1), (2)	76.7	63.8	20
Distribution Per Stapled Security (DPS) (cents)	2.33	2.05	14
Revenue Per Available Unit (REVPAU) (S$/day)	96	60	60

(1) Total distribution for 1H 2022 included realised exchange gain arising from repayment of foreign currency bank loans.

(2) Total distribution for 1H 2021 included:
   (a) one-off distribution of divestment gain of S$20.0 million to share divestment gains with Stapled Securityholders, 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.

Distribution and Book Closure Date

ART's distributions, made on a semi-annual basis, are as follows:

Distribution	For 1 January 2022 to 30 June 2022
Distribution Rate per Stapled Security	2.332 cents
Book Closure Date	8 August 2022
Payment Date	29 August 2022

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For ART's 1H 2022 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$7.6 billion as at 30 June 2022. 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).

ART's international portfolio comprises 95 properties with over 17,000 units in 44 cities across 15 countries in Asia Pacific, Europe and the USA as at 30 June 2022.

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 31 March 2022, CLI had about S$124 billion of real estate assets under management, and about S$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 29 private funds across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging, 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 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 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.

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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