

CapitaLand Ascott Trust divests three hotels in Japan for JPY10.7 billion

*Transaction is part of CLAS' active portfolio reconstitution strategy to
deliver sustainable returns to Stapled Securityholders*

Singapore, 18 December 2023 – CapitaLand Ascott Trust (CLAS) is divesting three hotels in Osaka, Japan to an unrelated third party for a total of JPY10.7 billion (S\$99.8 million¹). The three properties are Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West.

The three properties will be divested at about 15% above book value². Net proceeds of the divestment are expected to be about JPY3.9 billion (S\$36.4 million) and CLAS will recognise a net gain of JPY1.1 billion (S\$10.1 million). The divestment of the three properties is expected to be completed in 1Q 2024.

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: “The divestment of the three properties is part of our active portfolio reconstitution strategy. The properties are situated outside the prime districts in Osaka and the divestment enables CLAS to unlock the value of the properties, redeploying capital to assets and/or asset enhancement initiatives that can generate stronger yields, uplifting the overall value of our portfolio. Japan remains an attractive market for CLAS. Its strong tourism sector receives robust demand from both international and domestic sources. Population growth in the gateway cities also continues to rise with more locals moving into the urban cities. The overall positive demand-supply dynamics bode well for our portfolio of hospitality and longer-stay assets in Japan.”

“CLAS is set to complete a turnkey acquisition of a 258-unit rental housing property in Fukuoka, Japan in 1Q 2024. Following the strong approval from our Stapled Securityholders, we have also completed the acquisition of three prime lodging assets in London, Dublin and Jakarta at an EBITDA yield of 6.2%³. The assets have begun contributing to CLAS' income, enhancing our returns. We remain focused on delivering long-term sustainable returns to our Stapled Securityholders,” added Ms Teo.

¹ Based on an exchange rate of JPY1 to S\$0.00933 unless stated otherwise.

² Based on the independent valuation as at 31 December 2022.

³ Excluding the Milestone Payments which are to be made only when 70% of the renovations of The Cavendish London and Temple Bar Hotel are completed. Including the Milestone Payments, the EBITDA yield is 5.1% on a FY 2022 pro forma basis.

CLAS' portfolio in Japan

Post-divestment, CLAS will have a portfolio of about 30 properties comprising serviced residences, hotels, rental housing and student accommodation properties in Japan. These properties are in gateway cities such as Tokyo, Fukuoka, Hiroshima, Osaka and Sapporo. In 2022, CLAS entered into 11 acquisitions in Japan, comprising longer-stay assets such as rental housing and student accommodation properties.

CLAS' serviced residences have performed strongly on the back of pent-up demand following Japan's full reopening of its borders. Revenue per available unit (RevPAU) for our serviced residences was 198% higher year-on-year in 3Q 2023, exceeding pre-COVID-19 levels of 3Q 2019 by 17% on a same-store basis. The average daily rate for the Tokyo properties has surpassed pre-COVID-19 levels, at more than 20% higher compared to 3Q 2019. With the strong operating performance, two of CLAS' hotels which are under master leases have also received variable rent in addition to fixed rent, boosting CLAS' income stream.

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\$8.1 billion as at 30 September 2023. 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 103 properties with more than 18,000 units in 44 cities across 15 countries in Asia Pacific, Europe and the United States of America as at 30 September 2023.

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 estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 September 2023, CLI had S\$133 billion of real estate assets under management, and S\$90 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, 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's development arm.

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.

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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.

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