

NEWS RELEASE

ASCOTT RESIDENCE TRUST PROPOSES TO ACQUIRE S\$318.3 MILLION OF ASSETS IN AUSTRALIA, FRANCE, JAPAN, USA AND VIETNAM TO STRENGTHEN PRESENCE IN KEY MARKETS

Yield-accretive acquisition of the nine properties is expected to enhance ART's income resilience and consolidate its position as Asia-Pacific's largest hospitality trust

Singapore, 15 August 2022 – Ascott Residence Trust (ART) is proposing to acquire nine quality serviced residences, rental housing and student accommodation properties across five countries from its sponsor, The Ascott Limited. At an estimated total capitalised cost of S\$318.3 million¹, the yield-accretive acquisition is set to increase ART's distribution by S\$9.2 million and its pro forma FY 2021 Distribution per Stapled Security by 2.8%².

The acquisition is expected to strengthen ART's presence in its existing markets. The assets are predominantly located in Asia-Pacific with seven of the assets in Australia, Japan and Vietnam, and two in France and the USA. The acquisition of the nine properties with a total of 1,018 units will grow ART's total assets to S\$8.3 billion³ as of 31 December 2021 on a pro forma basis, further consolidating ART's position as Asia-Pacific's largest hospitality trust. Post-acquisition, ART's portfolio will exceed 100 properties, with over 18,000 units across 47 cities and 15 countries.

The acquisition will enhance ART's income resilience as 92% of the nine assets' gross profit are from stable income⁴ sources. It will further increase ART's total proportion of stable income from 69% to 71% of its gross profit⁵. ART is acquiring three serviced residences - Quest Cannon Hill in Brisbane, Australia and La Clef Tour Eiffel Paris in France that are on master leases; and Somerset Central TD Hai Phong City in Hai Phong, Vietnam which caters mainly to corporate guests and has an average length of stay of about 11 months. The five rental housing properties in Japan have typical lease tenures of about two years. They are in Kyoto, Osaka, Hyogo and Nagoya. The acquisition will expand ART's footprint to Hai Phong, Hyogo and Nagoya, further diversifying its portfolio.

In South Carolina, USA, ART is doubling its stake in Standard at Columbia, acquiring an additional 45% stake in the student accommodation property. Student accommodation properties

¹ Excluding the outstanding development cost and interest expense to be incurred for Standard at Columbia.

² Assuming 54% of the acquisition cost is funded by debt and the remainder funded by private placement.

³ Including acquisitions announced and/or completed up to 31 March 2022. In 1Q 2022, ART completed the acquisition of Paloma Kent and announced the turnkey acquisition of four rental housing properties and one student accommodation property in Japan, increasing ART's assets under management by S\$0.2 billion.

⁴ Stable income sources include master leases, management contracts with minimum guaranteed income, management contracts of rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels.

⁵ Including acquisitions announced and/or completed up to 31 March 2022. Following the acquisitions of the nine assets and ART's other acquisitions announced and/or completed up to 31 March 2022, ART will have 33 master leases, 4 management contracts with minimum guaranteed income and 68 management contracts.

typically have an average length of stay of about one year. Standard at Columbia is expected to perform well given its prime location and growing student population. ART's portfolio of operating student accommodation properties in the USA have achieved a strong occupancy rate of over 95%. Currently under development, Standard at Columbia is slated for completion in 2Q 2023. For more information about the nine assets, please refer to Annex.

Ms Serena Teo, Chief Executive Officer of Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "We are proposing to acquire nine quality assets that will increase ART's stable income and further strengthen the resilience of our portfolio, demonstrating our focus to deliver long-term value for our Stapled Securityholders. The acquisition will enhance our geographically diverse portfolio while deepening our presence in our key markets of Australia, France, Japan, USA and Vietnam. The addition of the five rental housing properties in Japan and a student accommodation property in the USA will increase the proportion of our longer-stay⁶ portfolio from 17%⁷ to 19% of ART's total portfolio value. This will bring us closer to our target of 25% - 30% for longer-stay assets in the medium term. The acquisition is also set to boost ART's proportion of green-certified properties, reinforcing our focus on sustainability. ART continues to seek yield-accretive investments while remaining committed to sustainability and taking a disciplined approach in managing our capital and costs."

The transaction is expected to be completed by November 2022, subject to Stapled Securityholders' approval at an Extraordinary General Meeting to be held on 9 September 2022. The acquisition is to be funded by debt and/or proceeds from a private placement. Post-acquisition, ART will have a gearing of 38.5% which is well below the 45% gearing threshold set by the Monetary Authority of Singapore. ART remains in a strong financial position to continue to make yield-accretive acquisitions. With ART's longer-stay portfolio comprising 19% of its total portfolio value and the strength of its balance sheet, ART is also resilient against any potential economic volatility.

Well-positioned to benefit from recovery in global travel

The three serviced residences to be acquired are located in key gateway cities and growth markets. The luxurious La Clef Tour Eiffel Paris has an average daily rate that is more than 30%⁸ higher compared to pre-COVID-19 level. The serviced residence has an occupancy rate of about 80%⁸, which is above pre-COVID-19 occupancy. Its performance is expected to pick-up as Paris' tourism market fully recovers by 2023⁹ and as the city hosts the 2024 Summer Olympic Games.

Quest Cannon Hill's occupancy rate is about 95%⁸, exceeding its pre-COVID-19 performance. Its occupancy is expected to remain robust as Brisbane continues to develop and upgrade its infrastructure to attract more domestic and international arrivals. Similarly, Somerset Central TD

⁶ Longer-stay assets refer to rental housing and student accommodation properties.

⁷ Based on property valuations as at 31 December 2021, value of acquisitions announced and/or completed up to 31 March 2022 and properties under development.

⁸ As at July 2022.

⁹ CBRE, 25 July 2022 – Market summary of the hospitality and serviced apartment markets of Australia, Japan, Vietnam, France and the USA.

Hai Phong City is well-positioned for further growth as Hai Phong, Vietnam's third largest city, continues its trajectory of economic development as an industrial hub. In 2021, Hai Phong surpassed Ho Chi Minh City and Hanoi as the top foreign direct investment destination in Vietnam with a registered capital of more than US\$5.26 billion, nearly 3.5 times compared to 2020⁹. Somerset Central TD Hai Phong City has an occupancy rate of over 90%⁸, which is in line with its pre-COVID-19 level. The serviced residence's historical EBITDA¹⁰ yield pre-COVID-19 is about 9.7%.

Greening ART's portfolio

The acquired properties will increase the proportion of ART's green-certified properties from approximately 35%¹¹ to 38% of its global portfolio by square metre. Quest Cannon Hill, La Clef Tour Eiffel Paris, Somerset Central TD Hai Phong City and Standard at Columbia are expected to be green-certified before the end of 2023. They will contribute to ART's sustainability targets of greening 50% of its global portfolio by 2025 and 100% of its global portfolio by 2030.

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, 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.

¹⁰ Earnings before net interest expense, tax, depreciation and amortisation.

¹¹ As at May 2022.

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 30 June 2022, CLI had about S\$125 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 more than 20 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 emissions 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.

Visit www.capitalandinvest.com for more information.

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Annex – About the nine serviced residences, rental housing and student accommodation properties

Three serviced residences in Australia, France and Vietnam

Quest Cannon Hill

The 100-unit Quest Cannon Hill is located in Brisbane, Australia, in the emerging suburb of Cannon Hill within a retail and commercial precinct. The serviced residence is a five-minute walk to Cannon Hill train station, offering direct access to Brisbane’s central business district (CBD). It is also a 10-minute drive to the Metroplex on gateway Estate and Port of Brisbane industrial areas.

Quest Cannon Hill offers a range of apartments including studio, one-, two-, and three-bedroom apartments. Facilities at the serviced residence include a meeting room, a gymnasium, pool, and a barbecue area. Quest Cannon Hill is on a master lease with rent increases and rent reviews. For more information or reservations, visit [here](#).

La Clef Tour Eiffel Paris

The 112-unit La Clef Tour Eiffel Paris is located in the heart of Paris, one of the world’s most visited cities. The serviced residence is a 5- to 10-minute drive to popular tourist attractions such as the Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs Elysées. The nearest metro station, Trocadéro, is just a two-minute walk away. The Paris Charles De Gaulle Airport is a 25-minute drive from the serviced residence.

La Clef Tour Eiffel Paris offers a mix of rooms, studios as well as one- and two-bedroom apartments, set in a 19th-century building designed by architect Ricardo Bofill. An asset enhancement initiative (AEI) is planned to reinforce the property’s upmarket positioning, lifting room rates and improving rent sustainability. Targeted for completion by end 2024, the AEI will encompass the replacement of fixtures, furniture and equipment in the bedrooms as well as the bathrooms. The lobby and lounge area will also be refurbished. La Clef Tour Eiffel Paris is on a fixed-rent master lease with lease cap and annual indexation. The property will remain open throughout the AEI process. For more information or reservations, visit [here](#).

Somerset Central TD Hai Phong City

The 132-unit Somerset Central TD Hai Phong City is situated in the growth city of Hai Phong, the third largest city and one of the largest industrial hubs and ports in Vietnam. As one of the first serviced residences in Hai Phong City, it is well-positioned to capture the lodging demand arising from foreign direct investment and business activities.

The serviced residence is a 15-minute drive to three industrial parks - Deep C, Dinh Vu and South Dinh Vu Industrial Zone, and a 10-minute drive to Cat Bi International Airport. As part of a newly-refurbished 15,000-square metre integrated development and with a multitude of international schools, shopping malls and hospitals around the residence, the property offers an ideal location for long-stay guests. Somerset Central TD Hai Phong City provides a mix of studios as well as one-, two- and three-bedroom apartments. Somerset Central TD Hai Phong City is on a

management contract. For more information or reservations, visit [here](#).

Five rental housing properties in Japan

The five rental housing properties offer 427 units in total and are well-located within four cities in Japan. S-Residence Shukugawa is located in the Hyogo prefecture within a residential district with numerous schools. The property is highly sought-after by professionals working in Osaka and Kobe. In Kyoto, House Saison Shijo-dori is located within walking distance to the city's prime office and retail belt, Shijo Karasuma as well as several high-profile tourist attractions.

In Nagoya, Marunouchi Central Heights is within talking distance to the city's CBD and close to key tourist attractions and shopping districts. In Osaka, the two rental housing properties, S-Residence Namba Viale and S-Residence Gakuenzaka, are also close to the city's CBD and near the popular tourist shopping districts of Dotonbori and Shinsaibashi. The rental housing properties are on management contracts.

One student accommodation property in USA

Located in South Carolina, USA, the 247-unit (679-bed) Standard at Columbia will serve over 35,000 undergraduate and graduate students from the nearby University of South Carolina (USC), the largest university in the state. In June 2021, ART and The Ascott Limited jointly invested to own 90% of the asset. Construction of the student accommodation asset is scheduled for completion in 2Q 2023. The property was topped out in 2Q 2022.

The freehold purpose-built student accommodation property is close to a plethora of food and entertainment options. It will provide fully furnished studios as well as one- to five-bedroom apartments. Each unit comes with a fully equipped shared kitchen, as well as appliances such as a washer and dryer. Community amenities include a fitness centre, study lounges, a coffee bar, and a jumbotron TV on an elevated amenity deck with a swimming pool and cabanas. Upon completion, Standard at Columbia will be on a management contract.