CAPITALAND ASCOTT TRUST
2023 FIRST HALF SUMMARY OF GROUP PERFORMANCE
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Summary of Group Results

	1H 2023 S$'000	**1H 2022 S$'000**	**Better / (Worse) %**
Revenue	346,929	267,398	30
Gross Profit	154,357	118,200	31
Total Distribution [(1)]	96,255	76,671	26
Distribution Per Stapled Security ("DPS") (cents)	2.78	2.33	19
For information only DPS (cents) (adjusted for one-off items) [(2)]	2.44	1.78	37

Notes:
1. Total distribution for 1H 2023 and 1H 2022 included one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans and settlement of cross currency interest rate swaps.

2. Adjusted DPS for the one-off items mentioned in note 1 above.

DISTRIBUTION AND RECORD DATE

Distribution	For 1 January 2023 to 30 June 2023
Distribution Rate per Stapled Security	2.778 cents
Record Date	4 August 2023
Payment Date	29 August 2023

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INTRODUCTION

CapitaLand Ascott Trust ("CLAS") is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT"), a real estate investment trust, and CapitaLand Ascott Business Trust ("CapitaLand Ascott BT"), a business trust (collectively, the "Group"). CapitaLand Ascott Trust Management Limited is the manager of CapitaLand Ascott REIT ("REIT Manager") and CapitaLand Ascott Business Trust Management Pte. Ltd. is the trustee-manager of CapitaLand Ascott BT ("BT Trustee-Manager") (collectively, the "Managers").

CLAS' objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets. It has a portfolio of serviced residences, rental housing, student accommodation and hospitality properties across Asia Pacific, Europe and United States of America ("US"). CLAS' investment policy covers any country in the world.

On 31 March 2006, CapitaLand Ascott REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX") with an initial portfolio of 12 properties in five countries (Singapore, China, Indonesia, the Philippines and Vietnam). In 2010, CapitaLand Ascott REIT enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe.

CapitaLand Ascott REIT acquired its first property in the US in 2015. In 2018, CapitaLand Ascott REIT announced its maiden development project at Nepal Hill, Singapore to build the first coliving property, lyf one-north Singapore. The property soft opened in November 2021.

On 31 December 2019, CapitaLand Ascott REIT completed the combination (the "Combination") with Ascendas Hospitality Trust ("A-HTRUST"), a stapled group comprising Ascendas Hospitality Real Estate Investment Trust ("A-HTRUST REIT") and Ascendas Hospitality Business Trust ("A-HTRUST BT").

CLAS has an active business trust component which derive certain of its income from non-passive income sources. Pursuant to the Property Funds Appendix, a Real Estate Investment Trust should not derive more than 10 per cent of its revenue from non-passive income sources. The CapitaLand Ascott BT Group has been put in place to hold such assets so as to facilitate compliance by CLAS with the Property Funds Appendix.

CapitaLand Ascott REIT completed the acquisition of Quest Macquarie Park Sydney in February 2020. In July 2020, CapitaLand Ascott REIT completed the sale of the partial gross floor area of Somerset Liang Court. The net proceeds are being redeployed for the redevelopment of the retained gross floor area, and the development is expected to complete in 2H 2025. Ascott Guangzhou and Somerset Azabu East was divested in December 2020.

CapitaLand Ascott REIT completed the acquisition of its first student accommodation property in US, Paloma West Midtown, in February 2021. CapitaLand Ascott REIT divested Citadines City Centre Grenoble and Citadines Didot Montparnasse in March 2021 and May 2021 respectively. Somerset Xu Hui Shanghai was divested in May 2021. In June 2021, CapitaLand Ascott REIT completed the acquisition of three freehold rental housing properties in Japan. In 2H 2021, CapitaLand Ascott REIT completed the acquisition of five student accommodation properties in US, namely Wildwood Lubbock, Seven07, Paloma University City, Paloma Raleigh and Uncommon Wilmington.

In February 2022, CapitaLand Ascott REIT completed the acquisition of a student accommodation property in US, Paloma Kent. CapitaLand Ascott REIT announced the acquisition of four turnkey rental housing properties and its first student accommodation property in Japan in March 2022. The acquisition of the student accommodation property was completed in March 2022. The acquisition of two turnkey rental housing properties was completed in December 2022 and the remaining two acquisitions are completed in Q2 2023.

On 30 November 2022, CapitaLand Ascott REIT completed the acquisition of three serviced residence properties in Australia, France and Vietnam, five rental housing properties in Japan and one student accommodation property in US.

INTRODUCTION

The development of the student accommodation property in South Carolina, US was completed on 30 June 2023.

As at 30 June 2023, CLAS' portfolio comprises 107 properties[1] with more than 19,000 units in 47 cities across 15 countries.

CLAS makes distributions to Stapled Securityholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar. Since its listing until FY2021, CLAS has paid 100% of its distribution income (other than gains from the sale of real estate properties).

[1] Include Somerset Liang Court (under development) and Standard at Columbia.

1(a)(i) Consolidated Statement of Total Return for 1H 2023 and 1H 2022

		GROUP		
	Note	1H 2023 S$'000	1H 2022 S$'000	Better / (Worse) %
Revenue	A.1	346,929	267,398	30
Direct expenses	A.2	(192,572)	(149,198)	(29)
Gross Profit	A.1	**154,357**	**118,200**	**31**
Depreciation of land and buildings, plant and machinery	A.3	(12,416)	(9,860)	(26)
Finance income	A.5	1,846	413	347
Other income	A.4	590	653	(10)
Finance costs	A.5	(41,710)	(31,334)	(33)
Managers' management fees	A.6	(16,881)	(14,299)	(18)
Trustee's fee		(448)	(433)	(3)
Professional fees	A.7	(2,158)	(2,410)	10
Audit fees	A.7	(1,880)	(1,835)	(2)
Foreign exchange gain / (loss)	A.8	14,702	(6,233)	336
Other operating expenses	A.9	(1,968)	(1,830)	(8)
Share of results of associate (net of tax)		(16)	(46)	65
Share of results of joint venture (net of tax)	A.10	–	(630)	n.m.
Net income		**94,018**	**50,356**	**87**
Net change in fair value of financial derivatives	A.11	(11,429)	857	n.m.
Profit from divestments	A.12	41	52	(21)
Assets written off		(152)	(34)	(347)
Total return for the period before tax		**82,478**	**51,231**	**61**
Income tax expense	A.13	(13,489)	(12,358)	(9)
Total return for the period after tax		**68,989**	**38,873**	**77**
Attributable to:				
Stapled Securityholders and perpetual securities holders		66,300	36,932	
Non-controlling interests		2,689	1,941	
Total return for the period		**68,989**	**38,873**	**77**

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue for 1H 2023 of S$346.9 million comprised S$43.6 million (13% of total revenue) from properties on master leases, S$56.9 million (16%) from properties on management contracts with minimum guaranteed income and S$246.4 million (71%) from properties on management contracts.

Revenue for 1H 2023 increased by S$79.5 million or 30% as compared to 1H 2022. This was mainly attributed to:
- higher revenue of S$69.7 million from the existing portfolio; and
- additional contribution of S$9.8 million from the acquisition of a student accommodation property in US (acquired in February 2022), a student accommodation property in Japan (acquired in March 2022), eight operating properties in Australia, France, Japan and Vietnam (acquired on 30 November 2022), two turnkey rental housing properties in Japan (acquired in December 2022) and two turnkey rental housing properties in Japan (acquired in Q2 2023).

The Group achieved a revenue per available unit ("REVPAU") of S$138 for 1H 2023, an increase of 44% as compared to 1H 2022.

Gross profit for 1H 2023 of S$154.4 million comprised S$39.5 million (26% of total gross profit) from properties on master leases, S$24.8 million (16%) from properties on management contracts with minimum guaranteed income and S$90.1 million (58%) from properties on management contracts.

As compared to 1H 2022, gross profit increased by S$36.2 million or 31%.

On a same store basis, revenue and gross profit increased by 26% and 25% respectively.

Please refer to para 2(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse)
	1H 2023 S$'000	1H 2022 S$'000	%
Depreciation and amortisation	(7,146)	(7,378)	3
Staff costs [1]	(55,342)	(42,572)	(30)

Note:
1. Staff costs were higher in 1H 2023 mainly due to higher staffing to support the business at the properties with the resumption of international travelling.

A.3 Depreciation of land and buildings, plant and machinery

This relates to the depreciation of freehold land and buildings, plant and machinery for the six hotels properties in Australia and the depreciation of leasehold land and building of Riverside Hotel Robertson Quay.

Depreciation expense was higher in 1H 2023 mainly due to depreciation expense from Riverside Hotel Robertson Quay, as it was previously classified as "investment properties" in 1H 2022.

A.4 Other operating income

Other operating income was lower in 1H 2023 due to one-off items last year. In 1H 2022, other operating income included an insurance claim for a hotel in Australia.

A.5 Finance income / Finance costs

Finance income was higher in 1H 2023 mainly due to higher fixed deposit placements and higher interest rates.

Finance costs were higher in 1H 2023 mainly due to interest expense incurred on the new bank loans drawn down for the acquisitions and higher interest rates on the floating rate loans.

A.6 Managers' management fees

Managers' management fees were higher in 1H 2023 mainly due to higher performance fee arising from stronger operating performance.

A.7 Professional fees / Audit fees

Professional fees were lower in 1H 2023 due to reversal of accruals no longer required.

A.8 Foreign exchange gain / (loss)

The foreign exchange gain recognised in 1H 2023 mainly comprised unrealised exchange gain of S$2.9 million and realised exchange gain of S$11.8 million (mainly arising from unwinding and net settlement of USD / JPY cross currency interest rate swaps upon final maturity in 1H 2023).

The unrealised exchange gain in 1H 2023 mainly arose from EUR denominated shareholders' loans extended to the Group's subsidiaries as a result of the appreciation of EUR against SGD as at balance sheet date and unrealised exchange gain on USD shareholders' loans recorded by the Philippines subsidiaries arising from depreciation of USD against PHP.

The unrealised exchange gain was partially offset by unrealised exchange loss on JPY and USD denominated shareholders' loans extended to the Group's subsidiaries as a result of depreciation of these currencies against SGD as at balance sheet date.

The foreign exchange loss recognised in 1H 2022 mainly comprised unrealised exchange loss of S$24.0 million and realised exchange gain of S$17.8 million (mainly arising from repayment of foreign currency bank loans).

The unrealised exchange loss in 1H 2022 mainly arose from AUD, EUR and JPY denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of these currencies against SGD as at balance sheet date and unrealised exchange loss on USD bank loans recorded by the China subsidiaries arising from appreciation of USD against RMB.

A.9 Other operating expenses

Other operating expenses were higher in 1H 2023 mainly due to higher provision for doubtful debts.

A.10 Share of results of joint venture (net of tax)

In 1H 2022, the Group had a 45% stake in a student accommodation property in US. On 30 November 2022, the Group acquired additional 45% stake in the property, resulting in the entities being consolidated as part of the Group.

The decrease in the share of results of joint venture was due to the consolidation of the entities.

A.11 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts (entered into to hedge distribution income) and gain / loss on unwinding of cross currency interest rate swaps upon final maturity.

In 1H 2023, the loss in fair value of financial derivatives was due to the unwinding of USD / JPY cross currency interest rate swaps upon their final maturity. There was realised exchange gain recognised upon net settlement of these cross currency interest rate swaps (refer to Note A.8).

A.12 Profit from divestments

This mainly relates to the profit from the sale of one strata unit at Somerset Grand Citra Jakarta in each of 1H 2023 and 1H 2022.

A.13 Income tax expense

Taxation for 1H 2023 was higher by S$1.1 million due to higher deferred tax expense (lower deferred tax expense in 1H 2022 upon recognition of deferred tax asset on unutilised tax losses).

1(b)(i) Statement of Financial Position

	Note	GROUP 30 Jun 2023 S$'000	GROUP 31 Dec 2022 S$'000
Non-Current Assets			
Investment properties	B.1	6,227,027	6,103,633
Property, plant and equipment	B.2	928,003	944,878
Investment properties under development	B.3	259,301	385,707
Associate		2,922	3,035
Financial derivative assets	B.4	84,594	69,942
Deferred tax assets		14,539	14,875
		7,516,386	**7,522,070**
Current Assets			
Inventories		363	295
Trade and other receivables	B.5	114,093	112,187
Assets held for sale	B.6	40,470	1,020
Financial derivative assets	B.4	20,181	24,487
Cash and cash equivalents	B.7	413,709	363,634
	B.14	**588,816**	**501,623**
Total Assets		**8,105,202**	**8,023,693**
Non-Current Liabilities			
Financial liabilities	B.12	(2,268,423)	(2,472,880)
Financial derivative liabilities	B.4	(1,534)	(6,939)
Trade and other payables	B.8	(8,296)	(8,656)
Deferred income	B.9	(781)	(876)
Deferred tax liabilities		(160,197)	(160,883)
Lease liabilities	B.10	(246,386)	(257,368)
		(2,685,617)	**(2,907,602)**
Current Liabilities			
Financial liabilities	B.12	(685,664)	(401,706)
Financial derivative liabilities	B.4	(433)	(815)
Trade and other payables	B.11	(261,141)	(244,243)
Deferred income	B.9	(126)	(135)
Current tax liabilities		(15,298)	(14,751)
Lease liabilities	B.10	(9,756)	(9,646)
	B.14	**(972,418)**	**(671,296)**
Total Liabilities		**(3,658,035)**	**(3,578,898)**
Net Assets		**4,447,167**	**4,444,795**
Represented by:			
Stapled Securityholders' funds		3,967,100	3,965,436
Perpetual securities holders	B.13	396,277	396,298
Non-controlling interests		83,790	83,061
Total Equity		**4,447,167**	**4,444,795**

1(b)(ii) Explanatory Notes to Statement of Financial Position

B.1 Investment properties

The increase in the Group's investment properties as at 30 June 2023 was mainly due to:

- the acquisition of two turnkey rental housing properties in Japan in Q2 2023; and
- transfer of Standard at Columbia (student accommodation property in US) from "investment properties under development" after it obtained its Temporary Certificate of Occupancy on 30 June 2023.

These increases are partially offset by:

- reclassification of four properties in France (namely, Citadines Croisette Cannes, Citadines Prado Chanot Marseille, Citadines Castellane Marseille and Citadines City Centre Lille from "investment properties" to "assets held for sale" pursuant to the planned divestment of these properties as at 30 June 2023); and
- foreign currency translation differences (from translating the Group's investment properties mainly from depreciation of JPY and USD against SGD, mitigated by appreciation of EUR and GBP against SGD).

B.2 Property, plant and equipment

The decrease in property, plant and equipment as at 30 June 2023 was mainly due to depreciation expense recognised during 1H 2023 and translation differences (from translating the Group's property, plant and equipment mainly from the depreciation of AUD against SGD). The decrease was partially offset by additions during 1H 2023.

B.3 Investment properties under development

Investment properties under development as at 30 June 2023 relate to the redevelopment of Somerset Liang Court Singapore.

The decrease in the investment properties under development as at 30 June 2023 was mainly due to the transfer of Standard at Columbia (student accommodation property in US) to "investment properties" after it obtained its Temporary Certificate of Occupancy on 30 June 2023. The decrease was partially offset by the capitalisation of costs relating to the redevelopment of Somerset Liang Court during 1H 2023.

B.4 Financial derivative assets / liabilities

The financial derivatives relate to the fair value of interest rate swaps (entered into to hedge interest rate risk) and fair value of cross currency swaps (entered into to hedge foreign currency risk and interest rate risk).

Movement in financial derivatives during the period was mainly due to fair value change upon re-measurement of derivatives and new interest rate swaps and cross currency swaps entered into during 1H 2023.

B.5 Trade and other receivables

The increase in the Group's trade and other receivables as at 30 June 2023 was mainly due to higher trade receivables and higher prepaid expenses, partially offset by lower deposits. Deposit paid for acquisition of turnkey rental housing property in Japan as at 31 December 2022 was reversed upon the completion of the acquisition in Q2 2023.

B.6 Assets held for sale

Assets held for sale as at 30 June 2023 relate to the four properties in France (please refer to Note B.1 above) and the six remaining strata units at Somerset Grand Citra Jakarta.

The increase in the assets held for sale as at 30 June 2023 was mainly due to the reclassification of the four properties in France from "investment properties", partially offset by the sale of one strata unit at Somerset Grand Citra Jakarta during 1H 2023.

B.7 Cash and cash equivalents

The increase in the Group's cash and cash equivalents as at 30 June 2023 was mainly due to cash generated from operations, partially offset by distribution payment to Stapled Securityholders.

B.8 Trade and other payables (non-current)

Trade and other payables (non-current) mainly comprised rental and other deposits.

B.9 Deferred income (current and non-current)

Deferred income of the Group relates to the difference between the considerations received for rental deposits and its fair value at initial recognition.

The decrease in deferred income as at 30 June 2023 was mainly due to the amortisation of deferred income recognised during 1H 2023.

B.10 Lease liabilities (current and non-current)

The lease liabilities as at 30 June 2023 refer to the Group's obligation for lease payments in relation to the right-of-use assets (recognised as part of investment properties).

B.11 Trade and other payables (current)

The increase in the trade and other payables as at 30 June 2023 was mainly due to higher accrual of developments costs for the investment properties under development.

B.12 Financial liabilities

The increase in current financial liabilities as at 30 June 2023 was mainly due to higher amount of bank loans and medium term notes which fall due in the next 12 months (previously under non-current liabilities as at 31 December 2022).

The decrease in non-current financial liabilities as at 30 June 2023 was mainly due to translation differences from translating the foreign currency borrowings as a result of depreciation of JPY and USD against SGD and lower amount of non-current bank loans and medium term notes that are due after 12 months (as they are being recognised under current liabilities as at 30 June 2023), partially offset by draw down of bank loans to fund the acquisitions and distribution payment.

Capital management

As at 30 June 2023, the Group's gearing was 38.6%, well below the 50% gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. In this regard, the lease liabilities recognised by virtue of FRS 116 *Leases* were excluded as these operating leases were entered into in the ordinary course of business and were in effect before 1 January 2019. The average cost of debts was 2.3% per annum, with a 12-month trailing interest cover of 4.3 times. S$2,374 million or 80% of the Group's borrowings are effectively on fixed interest rates, of which S$578 million is due in the next 12 months.

Out of the Group's total borrowings, 13% falls due in 2023, 19% falls due in 2024, 10% falls due in 2025, 16% falls due in 2026 and the balance falls due after 2027.

The Managers adopt a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2023, ahead of their maturity dates.

B.13 Perpetual securities

On 30 June 2015, CapitaLand Ascott REIT issued S$250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum, with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter. As announced on 29 May 2020, the S$250.0 million perpetual securities would not be redeemed. The distribution rate applicable to the perpetual securities was reset to 3.07% per annum on 30 June 2020.

On 4 September 2019, CapitaLand Ascott REIT issued S$150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum, with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter. The proceeds were used to redeem the S$150.0 million perpetual securities with its first call date on 27 October 2019.

Distributions are payable semi-annually in arrears at the discretion of CapitaLand Ascott REIT and will be non-cumulative. The perpetual securities have no fixed redemption date and redemption is at the option of CapitaLand Ascott REIT in accordance with the terms of issue of the perpetual securities.

B.14 Working capital

Notwithstanding the net current liabilities position, based on the Group's available financial resources, the Managers are of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2. Group Performance Review

2(a) Revenue and Gross Profit Analysis – 1H 2023 vs 1H 2022 (Local Currency (“LC”))

		Revenue [1]				Gross Profit [1]				REVPAU Analysis [2]		
		1H 2023	1H 2022	Better/ (Worse)		1H 2023	1H 2022	Better/ (Worse)		1H 2023	1H 2022	Better/ (Worse)
		LC'm		LC'm	%	LC'm		LC'm	%	LC/day		%
Master Leases												
Australia	AUD	5.9	5.4	0.5	9	5.5	5.1	0.4	8	–	–	–
France	EUR	11.6	8.7	2.9	33	10.6	8.0	2.6	33	–	–	–
Germany	EUR	5.5	5.0	0.5	10	5.1	4.6	0.5	11	–	–	–
Japan	JPY	1,014.7	1,011.0	3.7	–	890.0	877.6	12.4	1	–	–	–
South Korea	KRW	3,279.5	2,216.1	1,063.4	48	3,009.2	1,986.2	1,023.0	52	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	5.9	2.7	3.2	119	2.0	0.4	1.6	400	95	39	144
Singapore [3]	S$	15.9	9.3	6.6	71	8.2	8.0	0.2	2	366	–	n.m.
Spain	EUR	3.4	2.3	1.1	48	1.6	1.0	0.6	60	127	81	57
United Kingdom	GBP	16.8	12.3	4.5	37	7.0	5.6	1.4	25	147	107	37
Management contracts												
Australia	AUD	84.7	60.5	24.2	40	20.0	12.2	7.8	64	145	98	48
China	RMB	60.1	48.1	12.0	25	13.6	5.7	7.9	139	278	219	27
Indonesia	IDR	70.0	69.2	0.8	1	23.0	25.3	(2.3)	(9)	959	938	2
Japan	JPY	2,792.1	1,486.0	1,306.1	88	1,594.3	735.5	859.0	117	13,573	3,508	287
Malaysia	MYR	5.9	5.4	0.5	9	1.0	1.2	(0.2)	(17)	155	141	10
Philippines	PHP	463.4	337.5	125.9	37	151.4	94.9	56.5	60	4,686	3,462	35
Singapore	S$	17.3	10.6	6.7	63	7.2	3.5	3.7	106	116	71	63
United States of America	USD	56.6	45.9	10.7	23	23.6	18.6	5.0	27	190	142	34
Vietnam	VND	308.8	200.9	107.9	54	152.7	104.0	48.7	47	1,300	857	52

[1] Revenue and Gross Profit figures are stated in millions, except for IDR and VND which are stated in billions.
[2] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for United States of America excludes the student accommodation properties. REVPAU for IDR and VND are stated in thousands.
[3] The master lease for Ascott Orchard has been converted to “Management Contracts with Minimum Guaranteed Income” from December 2022. For comparison purposes, the revenue and gross profit amounts for 1H 2022 has been reclassified from the “Master Leases” category to “Management Contracts with Minimum Guaranteed Income” category.

2(a) Revenue and Gross Profit Analysis – 1H 2023 vs. 1H 2022 (S$)

	Revenue				**Gross Profit**				**REVPAU Analysis [1]**		
	1H 2023	**1H 2022**	**Better/ (Worse)**		**1H 2023**	**1H 2022**	**Better/ (Worse)**		**1H 2023**	**1H 2022**	**Better/ (Worse)**
	S$'m		**S$'m**	**%**	**S$'m**		**S$'m**	**%**	**S$/day**		**%**
Master Leases											
Australia	5.4	5.3	0.1	2	5.0	5.0	–	–	–	–	–
France	16.8	13.1	3.7	28	15.2	12.0	3.2	27	–	–	–
Germany	7.9	7.5	0.4	5	7.3	6.9	0.4	6	–	–	–
Japan	10.1	11.5	(1.4)	(12)	8.9	10.0	(1.1)	(11)	–	–	–
South Korea	3.4	2.5	0.9	36	3.1	2.2	0.9	41	–	–	–
Sub-total	**43.6**	**39.9**	**3.7**	**9**	**39.5**	**36.1**	**3.4**	**9**	**–**	**–**	**–**
Management contracts with minimum guaranteed income											
Belgium	8.5	4.1	4.4	107	2.8	0.6	2.2	367	137	58	136
Singapore [2]	15.9	9.3	6.6	71	8.2	8.0	0.2	2	366	–	n.m.
Spain	4.9	3.4	1.5	44	2.3	1.5	0.8	53	182	122	49
United Kingdom	27.6	22.1	5.5	25	11.5	10.1	1.4	14	242	192	26
Sub-total	**56.9**	**38.9**	**18.0**	**46**	**24.8**	**20.2**	**4.6**	**23**	**230**	**142**	**62**
Management contracts											
Australia	76.8	59.2	17.6	30	18.1	11.9	6.2	52	132	96	38
China	11.7	10.2	1.5	15	2.6	1.2	1.4	117	54	46	17
Indonesia	6.2	6.6	(0.4)	(6)	2.0	2.4	(0.4)	(17)	84	89	(6)
Japan	27.9	17.0	10.9	64	15.9	8.4	7.5	89	136	40	240
Malaysia	1.8	1.7	0.1	6	0.4	0.4	–	–	47	45	4
Philippines	11.2	8.9	2.3	26	3.7	2.5	1.2	48	113	91	24
Singapore	17.3	10.6	6.7	63	7.2	3.5	3.7	106	116	71	63
United States of America	75.9	62.6	13.3	21	31.5	25.4	6.1	24	254	193	32
Vietnam	17.6	11.8	5.8	49	8.7	6.2	2.5	40	74	51	45
Sub-total	**246.4**	**188.6**	**57.8**	**31**	**90.1**	**61.9**	**28.2**	**46**	**123**	**89**	**38**
Group	**346.9**	**267.4**	**79.5**	**30**	**154.4**	**118.2**	**36.2**	**31**	**138**	**96**	**44**

[1] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for United States of America excludes the student accommodation properties.

[2] The master lease for Ascott Orchard has been converted to "Management Contracts with Minimum Guaranteed Income" from December 2022. For comparison purposes, the revenue and gross profit amounts for 1H 2022 has been reclassified from the "Master Leases" category to "Management Contracts with Minimum Guaranteed Income" category.

Group

Please refer to Note A.1 of para 1(a)(ii) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

Australia

Revenue increased by AUD 0.5 million mainly due to acquisition of Quest Cannon Hill on 30 November 2022 and annual rent increase, partially offset by absence of adjustment for prior year's rent waiver.

Revenue was higher in 1H 2022 as it included adjustment to reverse rent waiver provided to the master lessees in 2H 2021.

Gross profit increased by AUD 0.4 million due to higher revenue, partially offset by higher operation & maintenance expense and property tax expenses.

In SGD terms, revenue increased by S$0.1 million or 2% due to stronger underlying performance, partially offset by depreciation of AUD against SGD. Gross profit remained stable.

France

Revenue increased by EUR 2.9 million or 33%. This was mainly due to acquisition of La Clef Tour Eiffel on 30 November 2022, higher variable rent (driven by higher average daily rates) and higher recovery of costs. On a same store basis (excluding the contribution from La Clef Tour Eiffel in 1H 2023), revenue increased by 14% in 1H 2023.

Gross profit increased by EUR 2.6 million or 33% mainly due to higher revenue (excluding recovery of costs).

In SGD terms, revenue and gross profit increased by S$3.7 million or 28% and S$3.2 million or 27% respectively due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

Germany

Both revenue and gross profit increased by EUR 0.5 million. This was mainly due to higher variable rent and absence of rent waiver.

Revenue and gross profit was lower in 1H 2022 as it included rent waiver granted to one of the master lessees.

In SGD terms, both revenue and gross profit increased by S$0.4 million due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

Japan

This mainly relates to the contribution from the:
(a) three hotels, namely Hotel WBF Honmachi, Sotetsu Grand Fresa Osaka-Namba and Sotetsu Grand Fresa Tokyo-Bay Ariake; and
(b) a student accommodation property, Eslead College Gate Kindaimae, acquired in March 2022.

Revenue increased by JPY 3.7 million due to the full six months contribution from the student accommodation property acquired in March 2022, partially offset by lower rental from Hotel WBF Honmachi (under a fixed and variable lease structure).

Revenue from Hotel WBF Honmachi was lower in 1H 2023 as the property was closed from January 2023 and only fixed rent was recognised.

Gross profit increased by JPY 12.4 million due to higher revenue, lower operation & maintenance expense and property tax expense.

In SGD terms, revenue and gross profit decreased by S$1.4 million or 12% and S$1.1 million or 11% respectively due to depreciation of JPY against SGD, partially offset by stronger underlying performance.

South Korea

Revenue increased by KRW 1,063.4 million or 48% due to higher rent as the operating performance of the property has improved in 1H 2023. Gross profit increased by KRW 1,023.0 million or 52% due to higher revenue, partially offset by higher property tax expense and insurance expense.

Both revenue and gross profit, in SGD terms, increased by S$0.9 million due to stronger underlying performance, partially offset by depreciation of KRW against SGD.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 3.2 million or 119% due to recovery from Covid-19 in 1H 2023 and temporary closure of a few floors of one of the properties during 1H 2022 for repair works. REVPAU increased by 144% in 1H 2023.

Gross profit increased by EUR 1.6 million or 400% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

In SGD terms, revenue and gross profit increased by S$4.4 million and S$2.2 million respectively due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

Singapore

This relates to the contribution from Ascott Orchard. The master lease for Ascott Orchard has been converted to "Management Contracts with Minimum Guaranteed Income" ("MCMGI") from December 2022.

Under the master lease in 1H 2022, the revenue was based on a fixed and variable rent lease structure. With the change to MCMGI, the income stream is dependent on the underlying performance of the property with a minimum income guarantee being provided by the property operator if the property does not generate the minimum income.

Revenue and gross profit increased by S$6.6 million or 71% and S$0.2 million or 2% respectively due to recovery from Covid-19 with higher ADR achieved.

Spain

Revenue increased by EUR 1.1 million or 48% due to recovery from Covid-19 in 1H 2023. REVPAU increased by 57% in 1H 2023.

Gross profit increased by EUR 0.6 million or 60% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

In SGD terms, revenue and gross profit increased by S$1.5 million or 44% and S$0.8 million or 53% respectively due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 4.5 million or 37% due to stronger international demand following the reopening of borders, and more city-wide events being held such as the King's Coronation in May 2023. REVPAU increased by 37% in 1H 2023.

Gross profit increased by GBP 1.4 million or 25% due to higher revenue, partially offset by higher staff costs, property tax expense (due to end of relief from the UK Government in March 2022), operation & maintenance expense and marketing expense.

In SGD terms, revenue and gross profit increased by S$5.5 million or 25% and S$1.4 million or 14% respectively due to stronger underlying performance, partially offset by depreciation of GBP against SGD.

C. Management contracts

Australia

Revenue increased by AUD 24.2 million or 40% due to higher corporate and leisure demand with the reopening of borders and more entertainment and sporting events being held. REVPAU increased by 48% in 1H 2023.

Gross profit increased by AUD 7.8 million or 64% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

In SGD terms, revenue and gross profit increased by S$17.6 million or 30% and S$6.2 million or 52% respectively due to stronger underlying performance, partially offset by depreciation of AUD against SGD.

China

Revenue increased by RMB 12.0 million or 25% mainly due to higher occupancy with strong base from the corporate long stays and higher international corporate guests with the increase in flight frequencies to and from China. REVPAU increased by 27% in 1H 2023.

Gross profit increased by RMB 7.9 million or 139% due to higher revenue, partially offset by higher staff costs and operation & maintenance expense and property tax expense (due to property tax refund in 1H 2022).

In SGD terms, revenue and gross profit increased by S$1.5 million or 15% and S$1.4 million or 117% respectively due to stronger underlying performance, partially offset by depreciation of RMB against SGD.

Indonesia

Revenue increased by IDR 0.8 billion or 1% and REVPAU increased by 2% due to higher average daily rates.

Gross profit decreased by IDR 2.3 billion or 9% due to higher staff costs, operation & maintenance expense and marketing expense, partially mitigated by higher revenue.

In SGD terms, both revenue and gross profit decreased by S$0.4 million due to depreciation of IDR against SGD.

Japan

Revenue increased by JPY 1,306.1 million or 88% due to stronger performance from the serviced residences, and the acquisition of nine rental housing properties (five properties in November 2022, two turnkey properties in December 2022, one turnkey property in April 2023 and one turnkey property in May 2023).

Gross profit increased by JPY 859.0 million or 117% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

On a same store basis (excluding the contribution from nine rental housing properties acquired in Q4 2022 and Q2 2023 and the 2 WBF hotels which are temporarily closed), revenue and gross profit increased by 63% and 83% respectively.

Revenue from the serviced residences was higher by 248% in 1H 2023. REVPAU increased by 287% in 1H 2023 driven by pent-up demand from international leisure segment with the full reopening of borders from October 2022.

WBF Kitasemba East and WBF Kitasemba West are temporarily closed.

Revenue and gross profit from the rental housing properties increased by 32% and 33% respectively in 1H 2023 due to the acquisition of nine rental housing properties in Q4 2022 and Q2 2023. On a same store basis, the contribution from the rental housing portfolio (which cater to local Japanese residents) remain resilient.

In SGD terms, revenue and gross profit increased by S$10.9 million or 64% and S$7.5 million or 89% respectively due to stronger underlying performance, partially offset by depreciation of JPY against SGD.

Malaysia

Revenue increased by MYR 0.5 million or 9% and REVPAU increased by 10% as compared to 1H 2022 due to higher average daily rates.

Gross profit decreased by MYR 0.2 million or 17% due to higher staff costs, operation & maintenance expense and marketing expense, partially mitigated by higher revenue.

In SGD terms, revenue increased by S$0.1 million or 6% due to stronger underlying performance, partially offset by depreciation of MYR against SGD. Gross profit remained stable.

The Philippines

Revenue increased by PHP 125.9 million or 37% due to more leisure and corporate demand which have higher average daily rates. REVPAU increased by 35%.

Gross profit increased by PHP 56.5 million or 60% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

In SGD terms, revenue and gross profit increased by S$2.3 million or 26% and S$1.2 million or 48% respectively due to stronger underlying performance, partially offset by depreciation of PHP against SGD.

Singapore

Revenue increased by S$6.7 million or 63% due to increase in leisure travellers and stronger corporate demand. REVPAU increased by 63% in 1H 2023.

Gross profit increased by S$3.7 million or 106% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

The United States of America

Revenue increased by USD 10.7 million or 23% due to stronger performance from the hotels and the full six months contribution from Paloma Kent acquired in February 2022.

Gross profit increased by USD 5.0 million or 27% due to higher revenue, partially offset by higher staff costs, marketing expense and property tax expense.

On a same store basis (excluding the contribution from Paloma Kent for both 1H 2023 and 1H 2022), revenue and gross profit increased by 23% and 26% respectively.

Revenue from the hotels increased by 35% and REVPAU increased by 34% due to strong corporate and leisure demand in 1H 2023. Gross profit was higher by 60% in 1H 2023.

The contribution from the student accommodation properties increased by 8% driven by higher rent and additional one month contribution from Paloma Kent in 1H 2023 (acquired in February 2022). Gross profit was higher by 5% in 1H 2023. On a same store basis (excluding the contribution from Paloma Kent for both 1H 2023 and 1H 2022), revenue and gross profit increased by 5% in 1H 2023.

In SGD terms, revenue and gross profit increased by S$13.3 million or 21% and S$6.1 million or 24% respectively due to stronger underlying performance, partially offset by depreciation of USD against SGD.

Vietnam

Revenue increased by VND 107.9 billion or 54% due to stronger demand from leisure and corporate travellers with the re-opening of borders and the acquisition of Somerset Central TD Hai Phong City on 30 November 2022. REVPAU increased by 52% in 1H 2023.

Gross profit increased by VND 48.7 billion or 47% due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

On a same store basis (excluding the contribution from Somerset Central TD Hai Phong City in 1H 2023), revenue and gross profit increased by 40% and 37% respectively.

In SGD terms, revenue and gross profit increased by S$5.8 million or 49% and S$2.5 million or 40% respectively due to stronger underlying performance, partially offset by depreciation of VND against SGD.

3. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The condensed interim financial statements of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group") which comprise the Statement of Financial Position and Portfolio Statement as at 30 June 2023, the Statement of Total Return for the six-month period then ended, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott REIT Group for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group") which comprise the Statement of Financial Position as at 30 June 2023, the Statement of Total Return and Statement of Comprehensive Income for the six-month period then ended, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott BT Group for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CapitaLand Ascott Trust, which comprise the Statement of Financial Position and Portfolio Statement as at 30 June 2023, the Statement of Total Return for the six-month period then ended, Distribution Statement, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of CapitaLand Ascott Trust for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

4. Variance from forecast

The Group has not disclosed any forecast to the market.

5. Commentary of the significant trends and the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

In June 2023, the World Bank raised its real global GDP forecast for 2023 from 1.7% to 2.1%, on the back of stronger-than-expected performance in major economies. However, the growth forecast for 2024 was lowered as higher interest rates and tighter credit conditions are expected to have a lagged impact on business investment[1].

Despite the macroeconomic uncertainties, CLAS' performance is expected to remain resilient given its geographic diversification, range of lodging asset classes and different contract types, which give rise to a balanced mix of stable and growth income. Furthermore, the demand for accommodation continues to be robust, supported by the return of tourism, business and industrial activities, events and performances.

According to United Nations World Tourism Organization, international visitor arrivals reached 80% of pre-pandemic levels in the first quarter of 2023, in line with its projection that arrivals would recover to 80% to 95% of pre-pandemic levels by the end of the year[2]. The return of international travel is expected to pick up pace as flight capacities increase.

To uplift the value and profitability of its assets, CLAS has five ongoing asset enhancement projects, which are expected to complete in the first half of 2024. Standard at Columbia, CLAS' student accommodation development project in South Carolina, USA, received its temporary certificate of occupancy in June 2023, and will be ready to receive students in the next academic year starting August 2023.

The turnkey acquisitions of two rental housing properties in Japan were completed in the second quarter of 2023 and these properties will contribute stable income to the portfolio. The divestment of four properties in regional France, which CLAS entered into as part of its portfolio reconstitution strategy, is expected to complete in the fourth quarter of 2023.

CLAS sees investment, asset enhancement and portfolio reconstitution opportunities across its lodging asset classes, and will continue to exercise financial discipline in its growth plans. As at 30 June 2023, CLAS has a strong financial position. 80% of its debt is effectively on fixed rates and the weighted average debt to maturity is 3.6 years, which mitigate the impact of rising interest rates. CLAS' average cost of debt is at 2.3% per annum and its interest cover is 4.3 times. CLAS has a gearing of 38.6% and its geographically diversified portfolio with exposure to 12 foreign currencies mitigates the volatility in foreign exchange.

Sources:
1 "World Bank cuts 2024 global growth forecast over rate hikes, lifts 2023 outlook" (Reuters), June 2023
2 "Tourism set to return to pre-pandemic levels in some regions in 2023" (United Nations World Tourism Organization), January 2023

6. Distributions

6(a) **Current financial period**

Any distributions declared for the current financial period? Yes

Period of distribution: Distribution for 1 January 2023 to 30 June 2023

Distribution Type	Distribution Rate (cents)
Taxable Income	0.415
Tax Exempt Income	1.629
Capital	0.734
Total	**2.778**

6(b) **Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Period of distribution: Distribution for 1 January 2022 to 30 June 2022

Distribution Type	Distribution Rate (cents)
Taxable Income	0.320
Tax Exempt Income	1.253
Capital	0.759
Total	**2.332**

6(c) Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all Stapled Securityholders.

Capital Distribution

Capital distribution represents a return of capital to Stapled Securityholders for tax purposes and is therefore not subject to income tax. For Stapled Securityholders who are liable to tax on profits from sale of Stapled Securities, the amount of capital distribution will be applied to reduce the cost base of their Stapled Securities for tax purposes.

Other Gains Distribution

Distribution of other gains is not taxable in the hand of Stapled Securities holders.

6(d) Record date : 4 August 2023

6(e) Date payable : 29 August 2023

7. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

8. General mandate for Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from Stapled Securityholders for IPT.

9. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Managers confirm that they have procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

10. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of CapitaLand Ascott Trust Management Limited, being the manager of CapitaLand Ascott REIT, and CapitaLand Ascott Business Trust Management Pte. Ltd., being the trustee-manager of CapitaLand Ascott Business Trust, which may render the unaudited interim financial results of the Group for the six months ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Beng Hai Chairman	Serena Teo Director

This release may contain forward-looking statements that involve risks and uncertainties. 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, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.

BY ORDER OF THE BOARD
CapitaLand Ascott Trust Management Limited
(Company registration no. 200516209Z)
As Manager of CapitaLand Ascott Real Estate Investment Trust

BY ORDER OF THE BOARD
CapitaLand Ascott Business Trust Management Pte. Ltd.
(Company registration no. 201925299R)
As Trustee-Manager of CapitaLand Ascott Business Trust

Karen Chan
Company Secretary

27 July 2023