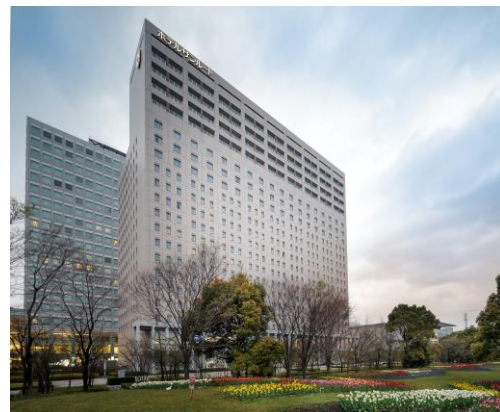




Ascott Residence Trust

1 Q 2020 Business Updates

30 April 2020

Important Notice

This presentation 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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Navigating Uncharted Waters

1Q 2020 Overview

Challenged by Global Pandemic

Lower occupancies due to COVID-19, cushioned by long stays



- **1Q 2020 portfolio revenue per available unit (“RevPAU”) declined 23% y-o-y to S\$103¹**
 - Average portfolio occupancy significantly lower but above breakeven level
 - Average daily rates relatively stable
- **Properties with long stays impacted to a lesser extent compared to those catering to transient travellers**
- **18 properties temporarily closed²** due to government mandate or to optimise resources

Mitigated by stable income sources, alternative sources of business and cost containment measures



- **Degree of stability from master leases and management contracts with minimum guaranteed income**
 - Maiden contribution from Quest Macquarie Park Sydney, a property under master lease, w.e.f. February 2020
- **Pursuing alternative sources of revenue**
 - Providing accommodation for those on self-isolation, healthcare personnel on the frontline, workers looking for alternate work-from-home locations and workers affected by border shutdown
- **Comprehensive cost containment measures**
 - Managing staff costs, overheads and discretionary expenditure
 - Government support measures to defray some costs
- **Finding a middle ground and navigating challenges with lessees and operators**

Notes:
1. Portfolio RevPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income
2. As at 30 April 2020. Comprising 11 properties in France, 4 in Japan, 1 each in Belgium, Spain and South Korea

Healthy Balance Sheet to Tide Over the Downturn

Firm financial footing to weather the challenges



- **Stronger financial position post-combination with A-HTRUST**
 - Low gearing at 35.4%, with debt headroom¹ of S\$1.25 billion to 45% and S\$2.10 billion to 50%
 - Well-staggered debt maturity profile
 - Ongoing negotiations to refinance debt maturing in 2020; lenders remain supportive

- **Adequate liquidity**

Close to S\$900 million of available funding		
S\$300 million Cash on hand	+	S\$163 million Divestment proceeds ²
	+	S\$425 million Credit facilities ³

- **Lower financing costs y-o-y; 81% of debt on fixed interest rates**
- **Deferral of uncommitted discretionary capital expenditure**
 - Deferral of refurbishment of DoubleTree by Hilton Hotel New York – Times Square South, originally planned to be carried out in 2020
- **2020 funding for committed development projects** (i.e. lyf one-north Singapore and Somerset Liang Court Property Singapore) **amounting to c.S\$ 90 million**

Notes:

Figures as at 31 March 2020, unless otherwise stated

1. Refers to the amount of additional debt before reaching aggregate leverage limit

2. Refers to proceeds to be received from the completion of divestment of gross floor area in Somerset Liang Court Property Singapore expected in 2H 2020

3. Includes committed credit facilities amounting to approximately S\$200 million

Far-reaching Effects on Global Markets

Key Market Updates

Citadines

Australia

Occupancies under pressure with stricter movement controls



AUD 115¹
28% lower y-o-y
RevPAU

Occupancies fell in March 2020 when Australia banned entry of all non-residents and closed various state borders, and **expected to remain soft in 2Q 2020**

- Lower RevPAU was also due to the acquisition of Citadines Connect Sydney Airport and the A-HTRUST properties in 2019, which have lower RevPAU
- **Temporary closure of rooms** in properties with low occupancies
- **MICE facilities suspended** and **F&B operations limited** to take-away and delivery
- Pursuing **alternative sources of business** – accommodation for self-isolation and alternative work-from-home options
- COVID-19 impact mitigated by **government support** (e.g. cashflow assistance, wage support, etc.)
- While Australian government's support to reinstate some domestic flight routes could **see a return in domestic demand for accommodation**, the pace of **recovery could be gradual**
- **Occupancies in 2Q 2020 expected to remain low, placing lessees and operators under strain**

4
master leases

9
management contracts

13%
of total assets

- ◆ Maiden contributions from 6 A-HTRUST properties w.e.f. 1 January 2020
- ◆ Acquisition of Quest Macquarie Park Sydney, a freehold property under master lease, completed in February 2020

Note:

1. Pertains to the properties under management contracts only

China

Return of domestic demand as movement restrictions ease



7
management
contracts

7%
of total assets

- ◆ Divestment of Citadines Xinghai Suzhou & Citadines Zhuankou Wuhan expected to complete in 2H 2020. 18% (RMB 90 million) of sales proceeds collected to date, which includes non-refundable deposit of RMB 20 million

RMB 310
31% lower y-o-y
RevPAU

Occupancies of properties in **first-tier cities resilient**, supported by long-staying guests
Achieved **portfolio occupancy of mid-50%**

- Operations substantially scaled down at Citadines Zhuankou Wuhan during the height of the epidemic. **Full operations have since resumed**
- **Most of the commercial spaces** in ART's China properties have **resumed operations**
- COVID-19 impact mitigated by **government support** (e.g. tax, insurance, rental and utilities rebates/credits)
- STR observed that **midscale and economy hotels are driving the recovery** of the China lodging market¹
- **Early signs of normalcy returning to China** with the relaxation of lockdown measures and resumption of major events
- With foreign visitors still prohibited from entering China, the **recovery in international travel and corporate demand could lag that of domestic travel and leisure demand**

France

Stable income from fixed rents

17

master leases

7%

of total assets



- ◆ In support of healthcare workers during these trying times, complimentary stays have been extended to medical staff working in Paris and regional France

1Q 2020 contributions remained resilient as earnings protected by fixed rents under master lease arrangements

Country locked down since mid-March 2020, **accommodation demand expected to be adversely impacted in 2Q 2020**

- Although not mandated, **most hotels in Paris are closed** due to soft accommodation demand
- **Temporary closure of 11¹ ART properties and consolidation of operations** across France due to low occupancy and to optimise resources
- **Mitigation efforts** include alternative business leads – supporting accommodation needs of medical workers in Paris and Marseille
- Wage and tax support from the French government to defray operating costs
- **France may ease restrictions in May 2020** but could reinstate measures should there be a resurgence in the spread of the virus
- A protracted pandemic adversely impacting accommodation demand may put a **strain on master lessees**

Note:

1. As at 30 April 2020

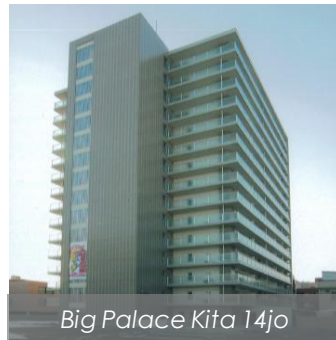
Japan

Challenging operating environment to persist into 2Q 2020

4 serviced
residences

11 rental
housing

management contacts



5 hotels

master leases

- ◆ Maiden contributions from 5 A-HTRUST properties (under master leases) w.e.f. 1 January 2020



20% of total assets

JPY 7,008¹

37% lower y-o-y
RevPAU

Weaker occupancies at properties catering to
leisure & transient segment

**Rental housing occupancies remained at over 90%,
income remains resilient**

- **Absence of leisure and transient travellers**

- **Nationwide state of emergency**
declared in mid April 2020, allowing prefecture governors to shut non-essential businesses
- **Closure of tourist attractions**
e.g. Universal Studios Japan, Tokyo Disneyland
- **Disruption of major events**
e.g. Tokyo Olympics 2020, originally scheduled for July 2020 postponed to 2021

- Occupancies at properties catering to leisure and transient guests adversely affected
- **Rental housing portfolio**, catering to local Japanese residents, **continues to contribute resilient income**
- Japanese government announced JPY117 trillion COVID-19 emergency budget to assist businesses and citizens

Note:

1. ¹ Pertains to the serviced residences under management contracts only

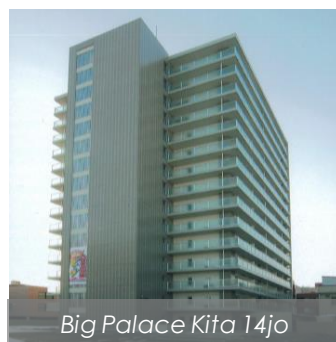
Japan (Cont'd)

Lessees and operators under pressure as accommodation demand falls

4 serviced
residences

11 rental
housing

management contacts



5 hotels

master leases

- ◆ Maiden contributions from 5 A-HTRUST properties (under master leases) w.e.f. 1 January 2020



20% of total assets

- Due to low occupancies, **4 ART properties are temporarily closed**
 - 1 in Tokyo and 1 in Kyoto, both under management contracts and mainly catering to tourists
 - 2 properties in Osaka, master-leased to WBF Hotel & Resorts ("WBF") – see below
- **WBF, master lessee to 3 ART properties, filed for civil rehabilitation on 27 April 2020**
 - Hotel WBF Hommachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West are all located in Osaka
 - **c.1.8% of ART's portfolio valuation** as at 31 December 2019
 - Under the proceedings, WBF may choose to continue or terminate the master leases
 - **Mitigants**
 - ❖ **Rent up to April 2020 has been received for all 3 properties** (JPY 167.7 million¹ of full-year rent of JPY 0.5 billion¹)
 - ❖ **3 months' rent in security deposits held in escrow**
 - ❖ **ART has initiated discussions with various operators**, including Sponsor, The Ascott Limited, to take over operations, if necessary

Note:
1. Approximately S\$2.2 million of full-year rent of S\$6.7 million, based on JPY:SGD exchange rate of 0.01327

Singapore

Seeking alternative sources of business



- ◆ Maiden contribution from Park Hotel Clarke Quay ("PHCQ") w.e.f. 1 January 2020

2
master leases

2
management contracts

17%
of total assets

- ◆ lyf one-north Singapore on track to open in 2021 despite temporary suspension of construction works during "Circuit Breaker"
- ◆ Divestment of partial gross floor area at Somerset Liang Court Property Singapore ("SLC") expected to complete in 2H 2020

S\$140¹
30% lower y-o-y
RevPAU

Income supported by **fixed rents and alternative business opportunities** - offering accommodation to those on self-isolation and Malaysians affected by the border shutdown

- Lower RevPAU was also due to gradual winding down of operations at SLC in preparation of redevelopment
- In late March 2020, Singapore **restricted the entry of foreign visitors**
- Since early April 2020, a "Circuit Breaker" was imposed, mandating the closure of non-essential services and **limiting the type of stays in hotels and serviced residences**
- Actively pursued **alternative business leads, supporting occupancies through April 2020**
 - **SLC and PHCQ block booked as government quarantine facilities**
 - Other properties housing those on self-isolation and Malaysians affected by border shutdown
 - **Average occupancy of c.80%¹ in April 2020**
- COVID-19 impact mitigated by **government support** (e.g. property tax rebates and wage support credits)

Notes:

Number of properties excludes lyf one-north Singapore, which is under-development

1. Pertains to properties under management contracts only, namely SLC and Citadines Mount Sophia Singapore

United Kingdom

Growing pressure from possible lockdown extension



4
management
contracts with
minimum
guaranteed
income

7%
of total assets



GBP 101
15% lower y-o-y
RevPAU

Occupancies dipped in March 2020 when
the UK was placed on lockdown

Minimum guaranteed income provides some
downside protection to earnings

- **Hotels and serviced residences** classified as non-essential services and **mandated to close** by the government when the lockdown began in late March
- **However, ART's properties remain operational** to serve existing long-stay guests
- **Alternative sources of business are pursued** – providing accommodation for healthcare workers
- **Cost containment measures** to reduce overheads
- COVID-19 impact mitigated by **government support** (e.g. in the form of property tax rebates)
- **Potential extension of the lockdown presents uncertainty** as the government reviews its lockdown measures every 3 weeks

United States

Transient demand adversely impacted following travel bans



3
management
contracts

12%
of total assets

- ◆ Planned renovation of DoubleTree by Hilton Hotel New York – Times Square South (“DTNY”) deferred to conserve cash

USD 109
22% lower y-o-y
RevPAU

Decline in occupancies since March 2020 mainly due to **fall in leisure and transient stays**

2Q 2020 to remain challenging if infections in the US continue to rise unabated

- Although places of accommodation are deemed to be essential and can continue to operate, **many hotels in New York City have closed due to weak demand**
- All ART properties **remain operational**, and have captured **business through alternative channels** to mitigate the drop in traditional market drivers –
 - DTNY **housing personnel managing the temporary hospital** at the nearby Jacob K. Javits Convention Center
 - Sheraton Tribeca New York Hotel and Element New York Times Square West providing accommodation to **healthcare employees** and **COVID-19 responders**
- COVID-19 impact mitigated by government support
- Easing of lockdown measures could commence in early May 2020 for some states. However, accommodation demand may remain weak if infection rate does not improve

Vietnam

Occupancies supported by long-stay corporate guests



4

management contracts

4%

of total assets

VND 1,280

('000)

**20% lower y-o-y
RevPAU**

1 Q 2020 portfolio occupancy at 70%,
supported by long stay, corporate segment

Expect further pressure in 2Q 2020 as
corporate demand remains soft

- Inbound flights halted; domestic flights reduced; non-essential services temporarily suspended
- **Major international events postponed**
 - Inaugural Hanoi F1 Grand Prix originally scheduled to be held in April 2020
 - ASEAN summit deferred from early April 2020 to end June 2020
- While other hotels in Vietnam have closed due to a decline in tourists, **ART's properties remain operational**
- **Demand for lodging** expected to be **leisure-driven** following **easing of lockdown measures**
- **ART properties to be under pressure in coming months** due to fewer project groups, softer corporate demand and shorter bookings

Standing on Strong Footing

Portfolio & Capital
Management Updates

Diversified portfolio with no concentration risk

Portfolio of 88 properties located across 39 cities, catering to different guest segments

35

Master Leases

7

Management Contracts with
Minimum Guaranteed Income

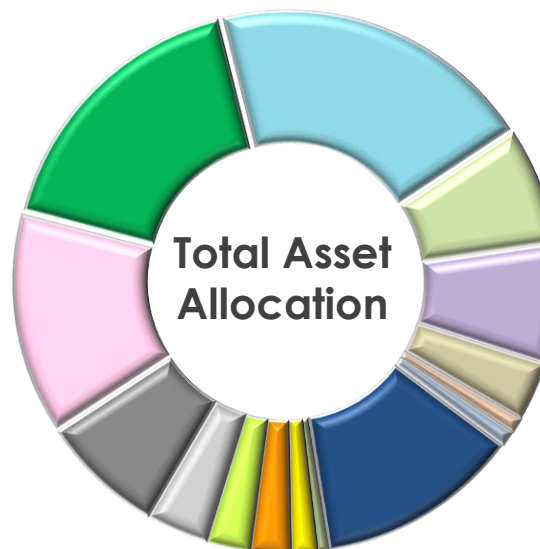
45

Management Contracts

Note: Excludes lyf one-north Singapore which
is currently under development

Asia Pacific 68.2%

	Japan	19.6%
	Singapore	17.0%
	Australia	13.3%
	China	7.4%
	Vietnam	3.7%
	South Korea	2.6%
	Philippines	2.4%
	Indonesia	1.5%
	Malaysia	0.7%

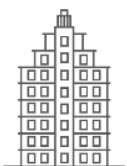


Europe 19.5%

	UK	7.2%
	France	7.0%
	Germany	3.5%
	Spain	0.9%
	Belgium	0.9%

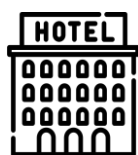
The Americas 12.3%

	USA	12.3%
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59

Serviced Residences



18

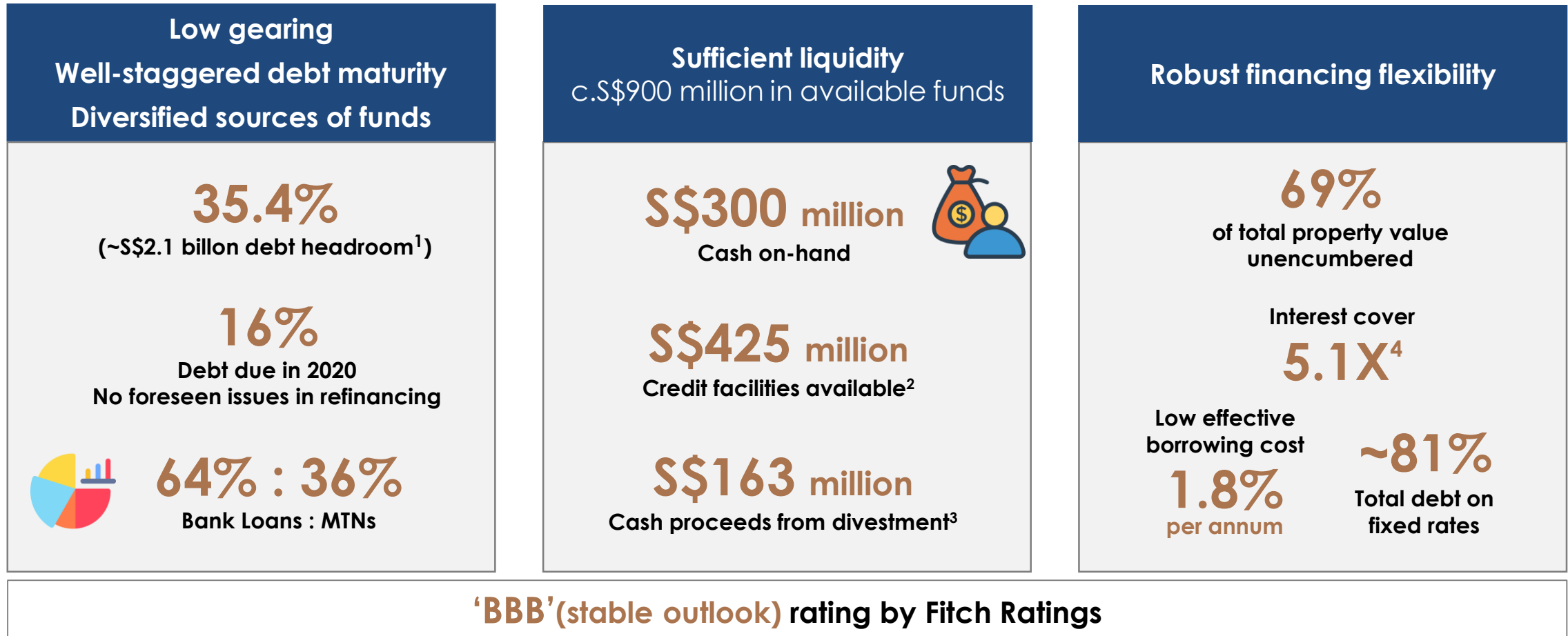
Hotels / Business Hotels



11

Rental Housing

Strong financial and cashflow position to weather the downturn



Notes: Figures above as at/for the quarter ended 31 March 2020. Computations exclude effects of FRS 116 Leases.

1. Refers to the amount of additional debt before reaching aggregate leverage of 50%

2. Includes committed credit facilities amounting to approximately S\$200 million

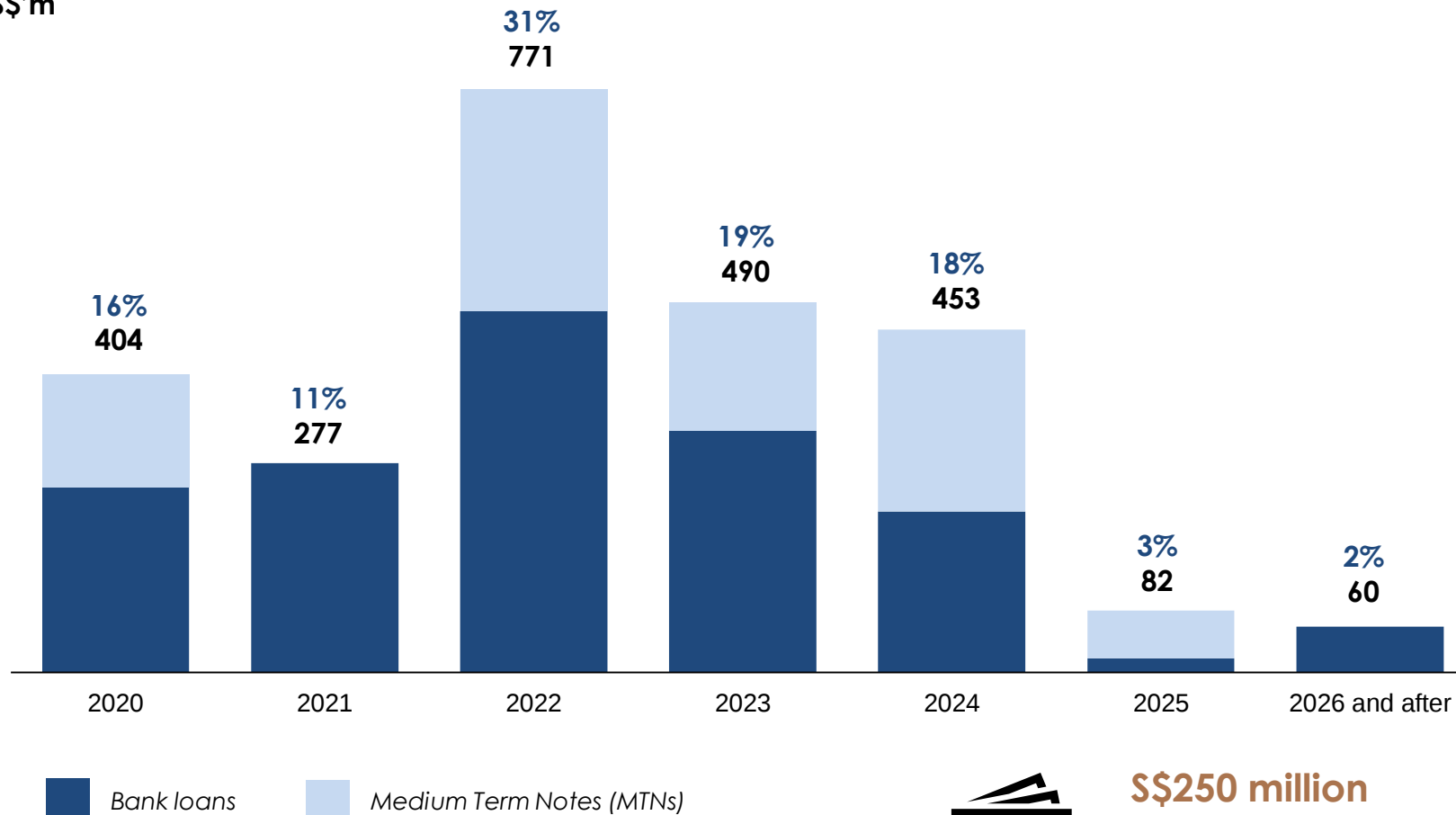
3. Refers to proceeds to be received from the completion of divestment of gross floor area in Somerset Liang Court Property Singapore expected in 2H 2020

4. Refers to the 12-month trailing interest cover

Well spread-out debt maturity profile

No foreseen issues in refinancing debt due in 2020, lenders remain supportive

S\$'m



Diversified funding sources



Bank loans



MTNs



Perpetual securities



S\$250 million
4.68% perpetual securities
(Callable on 30 June 2020)

Note:
As at 31 March 2020

The View Ahead

2Q 2020 to remain challenging but confident of long-term growth

Financial performance to be adversely impacted, but full impact cannot be ascertained yet



- Performance of key markets such as Australia, Japan, Europe and USA expected to be soft in 2Q 2020, potentially impacting property valuations
- Finding a middle ground and navigating challenges as lessees and operators face pressure
- Continue to pursue alternative business opportunities
- Leveraging operational expertise of Sponsor, The Ascott Limited
- Long stays to offer some resilience in occupancy
- Early signs of normalcy and domestic demand returning in China

Strong financial position and disciplined capital management to tide over the challenge



- Strong credit metrics and sufficient liquidity
- Conserve cash and defer uncommitted discretionary expenditure
- “BBB” with Stable Outlook rating by Fitch Ratings
- May exercise prudence in review of distribution payout

The View Ahead

Sunnier days ahead, post COVID-19

Positive on longer-term prospects of the hospitality sector



- Resilient and diversified portfolio, supported by strong Sponsor
- Accommodative government and monetary policy to support economic recovery post COVID-19
- Historically, tourism has shown unparalleled ability to recover from crisis and proven to be a key driver of international recovery¹
- Domestic demand and midscale segment could drive lodging recovery globally, as evidenced in China²

Notes:

1. Source: UNWTO
2. Source: STR

Appendix

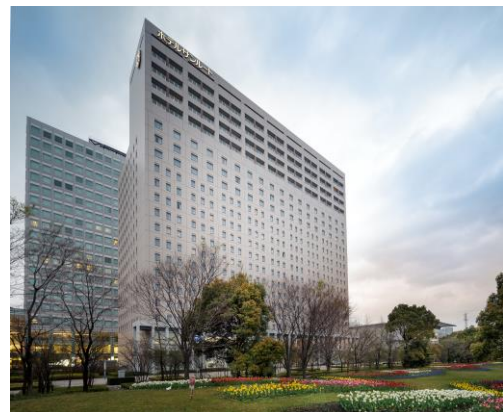


Notice: Change to Half – Yearly Reporting

Ascott Residence Trust Management Limited, the manager of Ascott Real Estate Investment Trust and Ascott Business Trust Management Pte. Ltd., the trustee-manager of Ascott Business Trust (collectively, the “Managers”) refer to the recent amendments to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited which were effective from 7 February 2020.

The Managers announced on 26 February 2020 that Ascott Residence Trust (“ART”) will adopt the announcement of half-yearly financial statements with effect from the financial year ending 31 December 2020 (“FY 2020”). ART will also conduct property valuation on an annual basis instead of a half-yearly basis. For FY 2020, the next financial results announcements will be for the half-year period ending 30 June 2020.

The Managers will continue their proactive engagements with stakeholders through various communication channels, including providing relevant business updates between the announcements of half-yearly financial statements.



Thank you

