

NEWS RELEASE

ASCOTT TARGETS TO DOUBLE ITS GLOBAL PORTFOLIO TO 160,000 UNITS IN FIVE YEARS

Strengthens its leading position in China and Southeast Asia with four properties; forays into new attractive investment destinations Malacca and Davao

Singapore, 29 January 2018 – CapitaLand’s wholly owned serviced residence business unit, The Ascott Limited (Ascott), is ramping up its expansion with a target to double its portfolio to 160,000 units globally by 2023. Hot on the heels of its recent signing of nine management contracts in China, Ascott has clinched contracts to manage another four properties with 1,200 units in new cities such as Malacca in Malaysia and Davao in the Philippines while deepening its presence in Guangzhou in China and Cebu in the Philippines.

Mr Kevin Goh, Ascott’s Chief Executive Officer, said: “With the global economic upswing and international travel arrivals hitting a new high, we are confident of exceeding 80,000 units this year. We see immense potential to scale up to 160,000 units worldwide in the next five years. Besides accelerating our growth through management contracts, which currently make up 60% of our portfolio, we will continue to seek opportunities for strategic investments in strong operating businesses that will widen our customer reach and give us a competitive edge. We will also grow our franchise business, particularly through our Citadines and Quest brands, and form strategic alliances with leading companies that have a pipeline of properties for us to manage.”

Mr Goh added: “We will focus on key gateway cities in our two biggest markets, China and Southeast Asia, as well as markets such as Australia, Europe, Japan, South Korea and the U.S. Expanding our global network will allow us to leverage greater economies of scale and strengthen our earnings. To position Ascott for the future, we will harness digital innovation and technology to enhance customer experience. For instance, our coliving brand, lyf, targeted at the millennials will provide guests with a complete digital experience.”

With its latest deals, Ascott has entered new attractive investment destinations Malacca and Davao. Its Somerset property in Malacca, Ascott’s largest property to date, will benefit from an upcoming free economic zone and sea port¹. Meanwhile, its foray into Davao will anchor Ascott in the Philippines’ third fastest-growing economy² which also serves as the economic and tourism hub of Southern Philippines. Ascott’s fifth property under its lyf brand will be in Cebu, the top investment destination in the Philippines outside Metro Manila³. With Ascott also increasing its presence in Guangzhou, it has reinforced its leading position as one of the largest serviced residence operators in China.

[1] “Bank of China sees Malaysia as regional hub” (7 November 2016), The Edge Markets

[2] “Davao Region posts 9.4% growth in 2016, 3rd highest in PH” (4 May 2017), Minda News

[3] “When Giants Invade: National Property Developers Redefining Cebu” (27 November 2017), Colliers Radar

Mr Goh said: “The Chinese are our top customers at our properties globally and continues to be the fastest growing segment in 2017, growing at 33% year-on-year. Besides opening more properties in China, we have stepped up our online marketing efforts tailored for the China market to better capture the Chinese travellers’ demand for properties both in and outside of China. For instance, Ascott has one of the largest serviced apartment listings on Fliggy, which has more than 200 million users. Our properties on Fliggy cover over 50 cities most popular amongst Chinese travellers, such as Singapore, Bangkok, Tokyo, Paris and London.”

Mr Goh added: “Almost half of our units under development worldwide are concentrated in Southeast Asia. The region has some of the world’s fastest expanding economies such as Vietnam and the Philippines⁴. Southeast Asia’s booming working-age population, large-scale infrastructure projects, rising affluence, and favourable investment policies are attracting businesses, creating strong demand for quality accommodation. The ASEAN Economic Community will also generate more trade and employment opportunities, presenting huge growth potential for the hospitality industry.”

With these new additions, Ascott currently has more than 160 properties with about 30,000 units under development worldwide. About 35 of these properties with more than 6,500 units are scheduled to open this year, half of which are in China, and a quarter in Southeast Asia. The rest are in countries such as Australia, France, India, Saudi Arabia, and the United Kingdom, including Ascott’s first property in Africa.

The new management contracts have increased Ascott’s portfolio in Southeast Asia to about 23,000 units in 111 properties across 34 cities. Its newly secured properties in Guangzhou has also strengthened Ascott’s foothold in China with over 20,000 units in about 110 properties across 31 cities.

Please refer to the Annex for more information on Ascott’s new properties.

About The Ascott Limited

The Ascott Limited is a Singapore company that has grown to be one of the leading international serviced residence owner-operators. It has over 43,000 operating serviced residence units in key cities of the Americas, Asia Pacific, Europe, the Middle East and Africa, as well as about 30,000 units which are under development, making a total of about 73,000 units in over 500 properties. The company’s brands include Ascott, Citadines, Somerset, Quest, The Crest Collection, and lyf. Ascott’s portfolio spans about 130 cities across over 30 countries.

Ascott, a wholly owned subsidiary of CapitaLand Limited, pioneered Asia Pacific's first international-class serviced residence with the opening of The Ascott Singapore in 1984. Today, the company boasts over 30 years of industry track record and award-winning serviced

[4] “Fifty years on, Southeast Asia Emerges as Global Growth Leader” (7 August 2017), Bloomberg
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residence brands that enjoy recognition worldwide.

Ascott's achievements have been recognised internationally. Recent awards include World Travel Awards 2017 for 'Leading Serviced Apartment Brand' in Asia, Europe and the Middle East; DestinAsian Readers' Choice Awards 2017 for 'Best Serviced Residence Brand'; TTG China Travel Awards 2017 for 'Best Serviced Residence Operator in China'; Business Traveller Asia-Pacific Awards 2017 for 'Best Serviced Residence Brand'; Business Traveller UK Awards 2017 for 'Best Serviced Apartment Company'; and Business Traveller China Awards 2017 for 'Best Serviced Residence Brand'. For a full list of awards, please visit www.the-ascott.com/ascottlimited/awards.html.

About CapitaLand Limited

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth S\$85 billion as at 30 September 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 150 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

Visit www.capitaland.com for more information.

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"we define global living"

ANNEX

Citadines Panyu Guangzhou (opening 2019)

Citadines Panyu Guangzhou (广州馨乐庭番禺悦界服务公寓) is conveniently located between the Wanbo Business District and Chimelong Resort, the most vibrant regions of Panyu District. Chimelong Resort is a large-scale integrated theme resort offering popular tourist attractions such as an amusement park, safari park, circus, and birds park. The serviced residence is part of the integrated development Golden Valley which also has commercial components and an international school.

The property is near the largest IKEA in Guangzhou and within walking distance to a lifestyle retail street. It is close to Guangzhou Metro Line 22, which is expected to open in 2020, and is well-connected to the city centre via public transportation. Guangzhou's new Central Business District (CBD) at Zhujiang New Town, Tianhe CBD and Guangzhou University City are a 20-minute drive away, while the Guangzhou South Railway Station is a 10-minute drive away. Citadines Panyu Guangzhou has 192 studio and one-bedroom apartments, as well as facilities such as a breakfast lounge and gymnasium.

Citadines Riverside Davao (opening 2021)

The 250-unit Citadines Riverside Davao will be part of an integrated development that also comprises retail, office and event spaces. A 15-minute drive from downtown Davao City, the serviced residence is close to universities and malls, as well as a 45-minute drive to Davao International Airport. A key gateway city in Mindanao serving as its main commercial, industrial and education hub, Davao City is also one of the largest and most developed metropolises in the Philippines. An attractive investment and tourist destination, many large local and foreign companies have been expanding their business in the city.

Besides having hotel rooms catered for short-term stay, Citadines Riverside Davao will also offer studio, one-bedroom and two-bedroom units. Facilities include a breakfast lounge, swimming pool, gymnasium, residents' lounge and functions rooms.

lyf Cebu City (opening 2021)

The first lyf property in the Philippines, lyf Cebu City, is located within Base Line Center, a mixed-used project which also has office spaces, a supermarket, dining and retail outlets. lyf Cebu City is surrounded by malls, office buildings, universities, and medical facilities. A few kilometres away from the Cebu Business Park and Cebu IT Park, the 180-unit property will be part of an integrated development that also includes a retail component. Cebu is the next largest business district in the Philippines outside of Metro Manila, and also a well-established shipbuilding and business process outsourcing destination.

The serviced residence with coliving concepts will feature facilities such as a bar, social kitchen, laundromat and coworking spaces. lyf Cebu City will offer a range of apartment layouts from 'Big Bed' rooms (studios) to 'Two of a Kind' units (two private rooms with a shared kitchen). Project groups can opt for the 'All Together' unit (business suites) which have smart display screens for video conferencing and discussions while a large table doubles up as a collaborative working zone and dining area.

Somerset Melaka Island (opening 2022)

Located within UNESCO World Heritage City of Melaka, Somerset Melaka Island enjoys proximity to an upcoming free trade zone and sea port. It is also about a 10-minute drive to popular historical and cultural attractions. Melaka is set to enjoy greater connectivity to Singapore and some parts of Malaysia when the Kuala Lumpur-Singapore high-speed express rail is completed in 2026.

Somerset Melaka Island will be part of a mixed-use development that also comprises a shopping mall. Its 578 apartments will range from studio to one-bedroom, two-bedroom and three-bedroom units. The property will provide facilities including a breakfast atrium, gymnasium, residents' lounge, launderette, bar, yoga and tea corner, jogging track, landscaped garden, and function rooms.