CAPITALAND ASCOTT TRUST
2024 FIRST HALF YEAR SUMMARY OF GROUP PERFORMANCE
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CAPITALAND ASCOTT TRUST
2024 FIRST HALF SUMMARY OF GROUP PERFORMANCE

Summary of Group Results

	1H 2024 S$'000	1H 2023 S$'000	Better / (Worse) %
Revenue	386,369	346,929	11
Gross Profit	172,902	154,357	12
Total Distribution [(1)]	96,465	96,255	–
Distribution Per Stapled Security ("DPS") (cents)	2.55	2.78	(8)
For information only DPS (cents) (adjusted for non-periodic items) [(2)]	2.41	2.44	(1)

Notes:
1. Total distribution for 1H 2024 and 1H 2023 included non-periodic items relating to realised exchange gain arising from settlement of cross currency interest rate swaps.

2. Adjusted DPS for the non-periodic items mentioned in note 1 above.

DISTRIBUTION AND RECORD DATE

Distribution	For 1 January 2024 to 30 June 2024
Distribution Rate per Stapled Security	2.547 cents
Record Date	5 August 2024
Payment Date	29 August 2024

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2024 FIRST HALF SUMMARY OF GROUP PERFORMANCE

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 commenced operations 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.

In July 2020, CLAS 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 2026.

CLAS completed the acquisition of its first student accommodation property in US, Paloma West Midtown, in February 2021.

In June 2023, the development of the student accommodation property in South Carolina, US was completed. In September 2023, CLAS divested four serviced residence properties in regional France. On 30 November 2023, CLAS completed the acquisition of three properties in Indonesia, Ireland and United Kingdom.

In January 2024, CLAS completed the acquisition of a rental housing property in Japan. The divestment of a hotel in Australia, three hotels in Japan and a serviced residence property in Singapore was completed in Q1 2024.

As at 30 June 2024, CLAS' portfolio comprises 102 properties[1] with more than 18,000 units in 45 cities across 16 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, 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).

1(a)(i) Consolidated Statement of Total Return for 1H 2024 and 1H 2023

		GROUP		
	Note	**1H 2024 S$'000**	**1H 2023 S$'000**	**Better / (Worse) %**
Revenue	A.1	386,369	346,929	11
Direct expenses	A.2	(213,467)	(192,572)	(11)
Gross Profit	A.1	**172,902**	**154,357**	12
Depreciation of land and buildings, plant and machinery	A.3	(11,366)	(12,416)	8
Finance income	A.4	2,585	1,846	40
Other income	A.5	7,344	590	n.m.
Finance costs	A.4	(53,605)	(41,710)	(29)
Managers' management fees	A.6	(17,515)	(16,881)	(4)
Trustee's fee		(486)	(448)	(8)
Professional fees	A.7	(3,056)	(2,158)	(42)
Audit fees		(1,893)	(1,880)	(1)
Foreign exchange (loss) / gain	A.8	(6,323)	14,702	(143)
Other operating expenses	A.9	(4,305)	(1,968)	(119)
Share of results of associate (net of tax)		(1)	(16)	94
Net income		**84,281**	**94,018**	(10)
Net change in fair value of financial derivatives	A.10	(6,284)	(11,429)	45
Profit from divestments	A.11	26,494	41	n.m.
Investment properties written off		(28)	(152)	82
Total return for the period before tax		**104,463**	**82,478**	**27**
Income tax expense	A.12	(16,531)	(13,489)	(23)
Total return for the period after tax		**87,932**	**68,989**	**27**
Attributable to:				
Stapled Securityholders and perpetual securities holders		85,881	66,300	
Non-controlling interests		2,051	2,689	
Total return for the period		**87,932**	**68,989**	**27**

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

A.1 Revenue and Gross profit

Revenue for 1H 2024 of S$386.4 million comprised S$48.5 million (13% of total revenue) from properties on master leases, S$101.7 million (26%) from properties on management contracts with minimum guaranteed income and S$236.2 million (61%) from properties on management contracts.

Revenue for 1H 2024 increased by S$39.5 million or 11% as compared to 1H 2023. This was mainly attributed to:

- higher revenue of S$11.8 million from the existing portfolio;
- additional contribution of S$38.2 million from the acquisition of two turnkey rental housing properties in Japan (acquired in Q2 2023), three properties in Indonesia, Ireland and United Kingdom (acquired on 30 November 2023), Standard at Columbia (began receiving students in August 2023) and one turnkey rental housing property in Japan (acquired in Q1 2024); partially offset by the
- decrease in revenue of S$10.5 million from the divestment of a hotel in Australia, three hotels in Japan and a serviced residence property in Singapore in Q1 2024.

The Group achieved a revenue per available unit ("REVPAU") of S$145 for 1H 2024, an increase of 5% as compared to 1H 2023.

Gross profit for 1H 2024 of S$172.9 million comprised S$45.0 million (26% of total gross profit) from properties on master leases, S$38.3 million (22%) from properties on management contracts with minimum guaranteed income and S$89.6 million (52%) from properties on management contracts.

As compared to 1H 2023, gross profit increased by S$18.5 million or 12%.

On a same store basis, revenue and gross profit increased by 4% and 3% respectively.

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

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse)
	1H 2024 S$'000	1H 2023 S$'000	%
Depreciation and amortisation [1]	(7,618)	(7,146)	(7)
Staff costs [2]	(61,339)	(55,342)	(11)

Note:

1. Depreciation and amortisation were higher in 1H 2024 mainly due to the renovated properties.
2. Staff costs were higher in 1H 2024 mainly due to the acquisitions.

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

In 1H 2024, this relates to the depreciation of land and buildings and plant and machinery for the four hotels in Australia, Temple Bar Hotel in Ireland and The Robertson House by The Crest Collection ("The Robertson House") in Singapore.

Depreciation expense was lower in 1H 2024 mainly due to the divestment of a hotel in Australia in January 2024, and the reclassification of a hotel in Australia to "assets held for sale" where it is not depreciated.

A.4 Finance income / Finance costs

Finance income was higher in 1H 2024 mainly due to higher fixed deposit placements.

Finance costs were higher in 1H 2024 mainly due to interest expense incurred on the bank loans drawn down for the acquisitions made in 2H 2023 and 1H 2024.

A.5 Other income

Other income was higher in 1H 2024 due to the accrued amount of outstanding rent and damages under the master lease for Park Hotel Clarke Quay (currently known as The Robertson House) expected to be recovered from the liquidator of the former tenant, Park Hotel CQ Pte Ltd, and reversal of accruals no longer required.

A.6 Managers' management fees

Managers' management fees were higher in 1H 2024 mainly due to the acquisitions made in 2H 2023 and 1H 2024, and higher valuation of the properties.

A.7 Professional fees

Professional fees were higher in 1H 2024 mainly due to higher provision for professional fees relating to distribution payments (arising from higher number of stapled securityholders), higher valuation fees, higher tax fees and higher professional fees incurred for green certification.

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

A.8 Foreign exchange (loss) / gain

The foreign exchange loss recognised in 1H 2024 mainly comprised unrealised exchange loss of S$12.2 million and realised exchange gain of S$5.9 million (mainly arising from settlement of EUR / SGD cross currency interest rate swaps upon final maturity in 1H 2024).

The unrealised exchange loss in 1H 2024 mainly arose from JPY denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of JPY against SGD as at balance sheet date, and USD shareholders' loans recorded by the Philippines, Vietnam and Indonesia subsidiaries arising from depreciation of PHP, VND and IDR against USD respectively.

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 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 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.

A.9 Other operating expenses

Other operating expenses were higher in 1H 2024 mainly due to higher provision for trust expenses (arising from higher number of stapled securityholders), higher provision for doubtful debts and higher non-refundable GST.

A.10 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 2024 and 1H 2023, the loss in fair value of financial derivatives was mainly due to the unwinding of cross currency interest rate swaps upon their final maturity. There was realised exchange gain recognised upon settlement of these cross currency interest rate swaps (refer to Note A.8).

A.11 Profit from divestments

In 1H 2024, this mainly relates to the profit from the divestment of a hotel in Australia, three hotels in Japan and a serviced residence property in Singapore.

In 1H 2023, this mainly relates to the profit from the sale of one strata unit at Somerset Grand Citra Jakarta.

A.12 Income tax expense

Taxation for 1H 2024 was higher by S$3.0 million mainly due to higher current tax expense (stronger operating performance and higher tax rate in United Kingdom) and higher withholding tax expense arising from the divestment of a hotel in Australia.

The increases were partially offset by lower deferred tax expense (mainly due to reversal of deferred tax liability previously provided for the Australia hotel which was divested in January 2024).

1(b)(i) <u>Statement of Financial Position</u>

		GROUP	
	Note	30 June 2024 S$'000	31 Dec 2023 S$'000
Non-Current Assets			
Investment properties	B.1	6,469,924	6,501,017
Property, plant and equipment	B.2	1,014,965	1,001,941
Investment properties under development	B.3	270,360	268,000
Associate		2,969	2,985
Financial derivative assets	B.4	132,890	84,862
Deferred tax assets		15,805	14,578
		7,906,913	**7,873,383**
Current Assets			
Inventories		476	547
Trade and other receivables	B.5	110,410	109,556
Assets held for sale	B.6	46,701	307,227
Financial derivative assets	B.4	5,038	7,306
Cash and cash equivalents	B.7	469,285	432,806
	B.14	**631,910**	**857,442**
Total Assets		**8,538,823**	**8,730,825**
Non-Current Liabilities			
Financial liabilities	B.12	(2,559,045)	(2,485,999)
Financial derivative liabilities	B.4	(821)	(7,666)
Trade and other payables	B.8	(70,740)	(8,135)
Deferred income	B.9	(10,016)	(8,716)
Deferred tax liabilities		(190,941)	(195,325)
Lease liabilities	B.10	(246,449)	(253,677)
		(3,078,012)	**(2,959,518)**
Current Liabilities			
Financial liabilities	B.12	(387,881)	(562,362)
Financial derivative liabilities	B.4	(303)	–
Trade and other payables	B.11	(237,901)	(352,032)
Deferred income	B.9	(537)	(545)
Current tax liabilities		(15,684)	(15,786)
Lease liabilities	B.10	(10,973)	(10,288)
	B.14	**(653,279)**	**(941,013)**
Total Liabilities		**(3,731,291)**	**(3,900,531)**
Net Assets		**4,807,532**	**4,830,294**
Represented by:			
Stapled Securityholders' funds		4,344,079	4,356,353
Perpetual securities holders	B.13	396,277	396,298
Non-controlling interests		67,176	77,643
Total Equity		**4,807,532**	**4,830,294**

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

B.1 Investment properties

The decrease in the Group's investment properties as at 30 June 2024 was mainly due to foreign currency translation differences (from translating the Group's investment properties as a result of depreciation of all currencies against SGD during 1H 2024, except GBP), partially offset by the acquisition of one turnkey rental housing property in Japan in January 2024.

B.2 Property, plant and equipment

The increase in property, plant and equipment as at 30 June 2024 was mainly due to additions during 1H 2024, partially offset by depreciation expense recognised in 1H 2024.

B.3 Investment properties under development

Investment properties under development as at 30 June 2024 relate to the redevelopment of Somerset Liang Court Singapore.

The increase in the investment properties under development as at 30 June 2024 was mainly due to the capitalisation of costs relating to the redevelopment of Somerset Liang Court during 1H 2024.

B.4 Financial derivative assets / liabilities

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

Movement in financial derivatives during the period was mainly due to mark-to-market gains upon re-measurement of the interest rate swaps from higher floating rates as compared to the fixed interest rates, and mark-to-market gains upon re-measurement of the cross currency interest rates swaps due to depreciation of JPY against SGD during 1H 2024.

B.5 Trade and other receivables

The increase in the Group's trade and other receivables as at 30 June 2024 was mainly due to higher prepaid expenses, partially offset by lower trade receivables.

B.6 Assets held for sale

Assets held for sale as at 30 June 2024 relate to Novotel Sydney Parramatta and the six remaining strata units at Somerset Grand Citra Jakarta.

The decrease in the assets held for sale as at 30 June 2024 was mainly due to completion of the divestment of Courtyard by Mariott Sydney-North Ryde, the three hotels in Japan and Citadines Mount Sophia during 1H 2024.

B.7 Cash and cash equivalents

The increase in the Group's cash and cash equivalents as at 30 June 2024 was mainly due to cash generated from operations, partially offset by distribution payment to Stapled Securityholders.

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

The increase in the non-current trade and other payables as at 30 June 2024 was mainly due to the milestone payment for the acquisition of The Cavendish London, which will be paid when 70% of the renovation of the property is completed.

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

Deferred income of the Group relates to the following:

(a) key money received from the hotel operator for the rebranding and renovation of The Robertson House;

(b) key money received from the hotel operator for the rebranding and renovation of Sydney Central Hotel (formerly known as Novotel Sydney Central) to the Citadines brand post-renovation; and

(c) difference between the considerations received for rental deposits arising from the master leases and its fair value at initial recognition.

The increase in deferred income as at 30 June 2024 was mainly due to the receipt of key money for rebranding and renovation of Sydney Central Hotel (formerly known as Novotel Sydney Central), partially offset by the amortisation of deferred income recognised during 1H 2024.

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

The lease liabilities as at 30 June 2024 refer to the Group's obligation for lease payments in relation to the right-of-use assets (recognised as part of investment properties).

The decrease in lease liabilities as at 30 June 2024 was mainly due to payment of lease liabilities during 1H 2024.

B.11 Trade and other payables (current)

The decrease in the current trade and other payables as at 30 June 2024 was mainly due to the payment of milestone payment for La Clef Tour Eiffel during 1H 2024 as 70% of the renovation works were completed, classification of the milestone payment for the acquisition of The Cavendish London to non-current trade and other payables and payment of accrued development expenditure during 1H 2024.

B.12 Financial liabilities

The decrease in current financial liabilities as at 30 June 2024 was due to refinancing of bank loans and medium term notes during 1H 2024.

The increase in non-current financial liabilities as at 30 June 2024 was mainly due to draw down of bank loans to finance the acquisition in 1H 2024 and issuance of medium term notes to refinance the debts (under current financial liabilities) in 1H 2024, partially offset by translation differences from translating the foreign currency borrowings (mainly from depreciation of JPY against SGD).

Capital management

As at 30 June 2024, the Group's gearing was 37.2%, 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 3.0% per annum, with a 12-month trailing interest cover of 3.7 times. S$2,413 million or 82% of the Group's borrowings are effectively on fixed interest rates, of which S$270 million is due in the next 12 months.

Out of the Group's total borrowings, 10% falls due in 2024, 11% falls due in 2025, 14% falls due in 2026, 16% falls due in 2027 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 2024, 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 2024 vs 1H 2023 (Local Currency (“LC”))

		Revenue [1]				Gross Profit [1]				REVPAU Analysis [2]		
		1H 2024	1H 2023	Better/ (Worse)		1H 2024	1H 2023	Better/ (Worse)		1H 2024	1H 2023	Better/ (Worse)
		LC’m		LC’m	%	LC’m		LC’m	%	LC/day		%
Master Leases												
Australia	AUD	6.2	5.9	0.3	5	5.6	5.5	0.1	2	–	–	–
France	EUR	11.7	11.6	0.1	1	10.7	10.6	0.1	1	–	–	–
Germany	EUR	5.5	5.5	–	–	5.4	5.1	0.3	6	–	–	–
Japan	JPY	1,467.1	1,014.7	452.4	45	1,349.8	890.0	459.8	52	–	–	–
South Korea	KRW	4,865.0	3,279.5	1,585.5	48	4,579.5	3,009.2	1,570.3	52	–	–	–
Management contracts with minimum guaranteed income												
Australia [3]	AUD	11.1	12.3	(1.2)	(10)	3.4	4.3	(0.9)	(21)	165	179	(8)
Belgium	EUR	5.9	5.9	–	–	1.4	2.0	(0.6)	(30)	94	95	(1)
Ireland	EUR	7.1	–	7.1	n.m.	2.3	–	2.3	n.m	148	–	n.m
Singapore [4]	S$	25.6	21.8	3.8	17	9.3	9.9	(0.6)	(6)	214	202	6
Spain	EUR	3.7	3.4	0.3	9	1.8	1.6	0.2	13	139	127	9
United Kingdom	GBP	24.7	16.8	7.9	47	10.5	7.0	3.5	50	148	147	1
Management contracts												
Australia	AUD	70.2	72.4	(2.2)	(3)	15.3	15.7	(0.4)	(3)	147	141	4
China	RMB	58.7	60.1	(1.4)	(2)	12.9	13.6	(0.7)	(5)	270	278	(3)
Indonesia	IDR	121.4	70.0	51.4	73	42.5	23.0	19.5	85	1,131	959	18
Japan	JPY	3,452.0	2,792.1	659.9	24	1,975.1	1,594.3	380.8	24	17,625	13,573	30
Malaysia	MYR	6.4	5.9	0.5	8	1.5	1.0	0.5	50	169	155	9
Philippines	PHP	457.9	463.4	(5.5)	(1)	158.8	151.4	7.4	5	4,650	4,686	(1)
Singapore	S$	7.7	11.4	(3.7)	(32)	2.9	5.5	(2.6)	(47)	116	130	(11)
United States of America	USD	62.4	56.6	5.8	10	27.3	23.6	3.7	16	196	190	3
Vietnam	VND	321.3	308.8	12.5	4	155.1	152.7	2.4	2	1,362	1,300	5

[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 management contract for Sydney Central Hotel (formerly known as Novotel Sydney Central) has been converted to “Management Contracts with Minimum Guaranteed Income” from February 2024. The property will be rebranded under the Citadines brand post asset enhancement initiative. For comparison purposes, the revenue and gross profit amounts for 1H 2023 and January 2024 have been reclassified from the “Management Contracts” category to “Management Contracts with Minimum Guaranteed Income” category.

[4] The management contract for The Robertson House has been converted to “Management Contracts with Minimum Guaranteed Income” from January 2024. For comparison purposes, the revenue and gross profit amounts for 1H 2023 have been reclassified from the “Management Contracts” category to “Management Contracts with Minimum Guaranteed Income” category.

2(a) Revenue and Gross Profit Analysis – 1H 2024 vs. 1H 2023 (S$)

	Revenue				Gross Profit				REVPAU Analysis [1]		
	1H 2024	1H 2023	Better/ (Worse)		1H 2024	1H 2023	Better/ (Worse)		1H 2024	1H 2023	Better/ (Worse)
	S$'m		S$'m	%	S$'m		S$'m	%	S$/day		%
Master Leases											
Australia	5.4	5.4	–	–	4.9	5.0	(0.1)	(2)	–	–	–
France	17.0	16.8	0.2	1	15.5	15.2	0.3	2	–	–	–
Germany	8.0	7.9	0.1	1	7.9	7.3	0.6	8	–	–	–
Japan	13.2	10.1	3.1	31	12.1	8.9	3.2	36	–	–	–
South Korea	4.9	3.4	1.5	44	4.6	3.1	1.5	48	–	–	–
Sub-total	**48.5**	**43.6**	**4.9**	**11**	**45.0**	**39.5**	**5.5**	**14**	**–**	**–**	**–**
Management contracts with minimum guaranteed income											
Australia [2]	9.9	11.2	(1.3)	(12)	3.0	3.9	(0.9)	(23)	146	162	(10)
Belgium	8.5	8.5	–	–	2.1	2.8	(0.7)	(25)	137	137	–
Ireland	10.3	–	10.3	n.m.	3.4	–	3.4	n.m.	215	–	n.m.
Singapore [3]	25.6	21.8	3.8	17	9.3	9.9	(0.6)	(6)	214	202	6
Spain	5.4	4.9	0.5	10	2.6	2.3	0.3	13	202	182	11
United Kingdom	42.0	27.6	14.4	52	17.9	11.5	6.4	56	250	242	3
Sub-total	**101.7**	**74.0**	**27.7**	**37**	**38.3**	**30.4**	**7.9**	**26**	**208**	**197**	**6**
Management contracts											
Australia	62.1	65.6	(3.5)	(5)	13.5	14.2	(0.7)	(5)	130	128	2
China	11.0	11.7	(0.7)	(6)	2.4	2.6	(0.2)	(8)	50	54	(7)
Indonesia	10.4	6.2	4.2	68	3.7	2.0	1.7	85	97	84	15
Japan	31.1	27.9	3.2	11	17.8	15.9	1.9	12	159	136	17
Malaysia	1.8	1.8	–	–	0.4	0.4	–	–	48	47	2
Philippines	10.9	11.2	(0.3)	(3)	3.8	3.7	0.1	3	111	113	(2)
Singapore	7.7	11.4	(3.7)	(32)	2.9	5.5	(2.6)	(47)	116	130	(11)
United States of America	83.8	75.9	7.9	10	36.7	31.5	5.2	17	263	254	4
Vietnam	17.4	17.6	(0.2)	(1)	8.4	8.7	(0.3)	(3)	74	74	-
Sub-total	**236.2**	**229.3**	**6.9**	**3**	**89.6**	**84.5**	**5.1**	**6**	**125**	**123**	**2**
Group	**386.4**	**346.9**	**39.5**	**11**	**172.9**	**154.4**	**18.5**	**12**	**145**	**138**	**5**

[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 management contract for Sydney Central Hotel (formerly known as Novotel Sydney Central) has been converted to "Management Contracts with Minimum Guaranteed Income" from February 2024. The property will be rebranded under the Citadines brand post asset enhancement initiative. For comparison purposes, the revenue and gross profit amounts for 1H 2023 and January 2024 have been reclassified from the "Management Contracts" category to "Management Contracts with Minimum Guaranteed Income" category.
[3] The management contract for The Robertson House has been converted to "Management Contracts with Minimum Guaranteed Income" from January 2024. For comparison purposes, the revenue and gross profit amounts for 1H 2023 has been reclassified from the "Management Contracts" 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 0.3 million or 5% mainly due to rent increase.

Gross profit increased by AUD 0.1 million or 2% due to higher revenue, partially offset by higher depreciation expense.

In SGD terms, revenue remained at the same level and gross profit decreased by S$0.1 million or 2% due to depreciation of AUD against SGD, mitigated by stronger underlying performance.

France

Both revenue and gross profit increased by EUR 0.1 million or 1%. This was mainly due to higher rent from the eight leases that were renewed in 2023 and 2024, partially offset by the divestment of four properties in September 2023.

On a same store basis (excluding the four divested properties for 1H 2023), revenue and gross profit increased by 11% and 10% respectively.

In SGD terms, revenue and gross profit increased by S$0.2 million or 1% and S$0.3 million or 2% respectively due to stronger underlying performance and appreciation of EUR against SGD.

Germany

Revenue was stable in 1H 2024.

Gross profit increased by EUR 0.3 million or 6% due to lower costs (reversal of costs).

In SGD terms, revenue and gross profit increased by S$0.1 million or 1% and S$0.6 million or 8% respectively due to appreciation of EUR against SGD.

Japan

In 1H 2024, the revenue and gross profit mainly relates to the contribution from the:
(a) three hotels, namely Hotel WBF Honmachi (divested on 14 March 2024), Sotetsu Grand Fresa Osaka-Namba and Sotetsu Grand Fresa Tokyo-Bay Ariake; and
(b) a student accommodation property, Eslead College Gate Kindaimae.

Revenue increased by JPY 452.4 million or 45% mainly due to recognition of variable rent for two hotels as a result of strong operating performance (only fixed rent was recognised in 1H 2023).

Gross profit increased by JPY 459.8 million or 52% due to higher revenue, lower operation & maintenance expense and property tax expense.

In SGD terms, revenue and gross profit increased by S$3.1 million or 31% and S$3.2 million or 36% respectively due to stronger underlying performance, partially offset by depreciation of JPY against SGD.

South Korea

Revenue increased by KRW 1,585.5 million or 48% due to higher rent as the operating performance of the property has improved in 1H 2024 and recognition of variable rent for one of the properties (only fixed rent was recognised in 1H 2023).

Gross profit increased by KRW 1,570.3 million or 52% due to higher revenue, partially offset by higher insurance expense.

In SGD terms, revenue and gross profit increased by S$1.5 million or 44% and S$1.5 million or 48% respectively due to stronger underlying performance, partially offset by depreciation of KRW against SGD.

B. Management contracts with minimum guaranteed income

Australia

This relates to the contribution from Sydney Central Hotel (formerly known as Novotel Sydney Central). The management contract for Sydney Central Hotel has been converted to "Management Contracts with Minimum Guaranteed Income" from February 2024.

Revenue decreased by AUD 1.2 million or 10% due to lower corporate demand and car park income. REVPAU decreased by 8% in 1H 2024.

Gross profit decreased by AUD 0.9 million or 21% due to lower revenue, partially offset by lower staff costs.

In SGD terms, revenue and gross profit decreased by S$1.3 million or 12% and S$0.9 million or 23% respectively due to lower underlying performance and depreciation of AUD against SGD.

Belgium

Revenue was stable in 1H 2024.

Gross profit decreased by EUR 0.6 million or 30% due to higher staff costs and operation & maintenance expense.

In SGD terms, revenue remained at the same level. Gross profit decreased by S$0.7 million or 25% due to lower underlying performance, mitigated by appreciation of EUR against SGD.

Ireland

This relates to the contribution from Temple Bar Dublin acquired on 30 November 2023.

Singapore

This relates to the contribution from Ascott Orchard and The Robertson House. The management contract for The Robertson House has been converted to "Management Contracts with Minimum Guaranteed Income" from January 2024.

Revenue increased by S$3.8 million or 17% mainly due to The Robertson House (higher room revenue and food & beverage revenue as the property was under renovation from Q1 2023 to Q1 2024), partially offset by lower revenue from Ascott Orchard (softer market demand).

REVPAU increased by 6% in 1H 2024.

Gross profit decreased by S$0.6 million or 6% due to higher staff costs, operation & maintenance expense, marketing expense and depreciation expense, partially offset by higher revenue.

Spain

Revenue increased by EUR 0.3 million or 9% due to higher average daily rates from project group. REVPAU increased by 9% in 1H 2024.

Gross profit increased by EUR 0.2 million or 13% due to higher revenue, partially offset by higher staff costs.

In SGD terms, revenue and gross profit increased by S$0.5 million or 10% and S$0.3 million or 13% respectively due to stronger underlying performance and appreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 7.9 million or 47% mainly due to acquisition of The Cavendish London on 30 November 2023, partially offset by lower revenue from Citadines Holborn-Covent Garden London (due to ongoing renovation).

Gross profit increased by GBP 3.5 million or 50% 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 Cavendish London for 1H 2024), revenue and gross profit decreased by 9% and 10% respectively impacted by the renovation at Citadines Holborn-Covent Garden London. REVPAU decreased by 10% in 1H 2024.

In SGD terms, revenue and gross profit increased by S$14.4 million or 52% and S$6.4 million or 56% respectively due to stronger underlying performance and appreciation of GBP against SGD.

C. Management contracts

Australia

Revenue decreased by AUD 2.2 million or 3% mainly due to the divestment of Courtyard by Marriott Sydney North Ryde on 31 January 2024.

Gross profit decreased by AUD 0.4 million or 3% due to lower revenue and higher utilities expense, mitigated by lower staff costs, operation & maintenance expense and depreciation expense.

On a same store basis (excluding the contribution from Courtyard by Marriott Sydney North Ryde for 1H 2024 and 1H 2023), revenue increased by 4% due to stronger performance at the hotels from the sporting events and concerts during Q1 2024. REVPAU increased by 4% in 1H 2024. Gross profit increased by 1% due to higher revenue, partially offset by higher operation & maintenance expense, utilities expense and marketing expense.

In SGD terms, revenue and gross profit decreased by S$3.5 million or 5% and S$0.7 million or 5% respectively due to lower underlying performance and depreciation of AUD against SGD.

China

Revenue decreased by RMB 1.4 million or 2% due to lower average daily rates (slow business recovery). REVPAU decreased by 3% in 1H 2024.

Gross profit decreased by RMB 0.7 million or 5% due to lower revenue and higher staff costs, partially offset by lower property tax expense (due to property tax refund in 1H 2024).

In SGD terms, revenue and gross profit decreased by S$0.7 million or 6% and S$0.2 million or 8% respectively due to lower underlying performance and depreciation of RMB against SGD.

Indonesia

Revenue increased by IDR 51.4 billion or 73% mainly due to the acquisition of Ascott Kuningan on 30 November 2023.

Gross profit increased by IDR 19.5 billion or 85% due to higher revenue and lower staff costs, partially offset by higher operation & maintenance expense and marketing expense.

On a same store basis (excluding the contribution from Ascott Kuningan for 1H 2024), revenue and gross profit increased by 12% and 9% driven by higher occupancy and average daily rate. REVPAU increased by 12% in 1H 2024.

In SGD terms, revenue and gross profit increased by S$4.2 million or 68% and S$1.7 million or 85% respectively due to stronger underlying performance, partially offset by depreciation of IDR against SGD.

Japan

Revenue increased by JPY 659.9 million or 24% due to stronger performance from the serviced residences, contribution from one rental housing property acquired in January 2024 and full six-months contribution in 1H 2024 from the two rental housing properties acquired in Q2 2023.

Gross profit increased by JPY 380.8 million or 24% 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 three rental housing properties acquired in Q2 2023 and Q1 2024 and the 2 WBF hotels which were divested on 14 March 2024), revenue and gross profit increased by 14% and 11% respectively.

Revenue and gross profit from the serviced residences was higher by 29% and 32% in 1H 2024 respectively. REVPAU increased by 30% in 1H 2024 driven by higher leisure demand from international travellers and cherry blossom season.

WBF Kitasemba East and WBF Kitasemba West were divested in March 2024.

Revenue and gross profit from the rental housing properties increased by 19% and 18% respectively in 1H 2024 due to the acquisition of one property in January 2024 and full six-months contribution in 1H 2024 from the two properties acquired in Q2 2023.

On a same store basis (excluding the contribution from the three rental housing properties acquired in Q2 2023 and Q1 2024 for both 1H 2023 and 1H 2024), revenue from the contribution from the rental housing portfolio (which cater to local Japanese residents) remained stable. Gross profit decreased by 1% due to higher property tax expense.

In SGD terms, revenue and gross profit increased by S$3.2 million or 11% and S$1.9 million or 12% respectively due to stronger underlying performance, partially offset by depreciation of JPY against SGD.

Malaysia

Revenue increased by MYR 0.5 million or 8% due to higher average daily rates from higher leisure demand. REVPAU increased by 9% in 1H 2024.

Gross profit increased by MYR 0.5 million or 50% due to higher revenue and lower staff costs, partially offset by higher marketing expense.

In SGD terms, revenue and gross profit remained stable due to stronger underlying performance, offset by depreciation of MYR against SGD.

The Philippines

Revenue decreased by PHP 5.5 million or 1% due to weaker corporate demand. REVPAU decreased by 1% in 1H 2024.

Gross profit increased by PHP 7.4 million or 5% due to lower utilities expense and depreciation expense, partially offset by lower revenue and higher staff costs.

In SGD terms, revenue decreased by S$0.3 million or 3% due to lower underlying performance and depreciation of PHP against SGD. Gross profit increased by S$0.1 million or 3%.

Singapore

This relates to the contribution from Citadines Mount Sophia and lyf one-north.

Revenue and gross profit decreased by S$3.7 million or 32% and S$2.6 million or 47% respectively mainly due to the divestment of Citadines Mount Sophia on 1 March 2024.

On a same store basis, revenue from lyf one-north increased by 9% mainly due to stronger performance in Q1 2024 as the property benefited from concerts and events. REVPAU increased by 9% in 1H 2024. Gross profit decreased by 9% due to higher staff costs, operation & maintenance expense, property tax expense (due to increase in annual value) and marketing expense, mitigated by higher revenue.

The United States of America

Revenue and gross profit increased by USD 5.8 million or 10% and USD 3.7 million or 16% respectively due to stronger performance from the hotels, contribution from Standard at Columbia (development completed on 30 June 2023 and started to receive students for AY 2023 – 2024 in August 2023).

On a same store basis (excluding the contribution from Standard at Columbia for 1H 2024), revenue and gross profit increased by 3% and 4% respectively.

Revenue from the hotels increased by 5% and REVPAU increased by 3% due to higher corporate and leisure demand in 1H 2024. Gross profit was higher by 10% in 1H 2024.

Revenue and gross profit from the student accommodation properties increased by 20% and 22% respectively. This was driven by the contribution from Standard at Columbia.

On a same store basis (excluding the contribution from Standard at Columbia for 1H 2024), revenue decreased by 1% mainly from Wildwood Lubbock which is undergoing light asset enhancement initiatives to refresh the property. Gross profit decreased by 3%.

In SGD terms, revenue and gross profit increased by S$7.9 million or 10% and S$5.2 million or 17% respectively due to stronger underlying performance and appreciation of USD against SGD.

Vietnam

Revenue increased by VND 12.5 billion or 4% due to higher average daily rates from higher short stay demand. REVPAU increased by 5% in 1H 2024.

Gross profit increased by VND 2.4 billion or 2% due to higher revenue, partially offset by higher staff costs, utilities expense and depreciation expense.

In SGD terms, revenue and gross profit decreased by S$0.2 million or 1% and S$0.3 million or 3% respectively due to depreciation of VND against SGD, mitigated by stronger underlying performance.

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 2024, 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 2024, 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 2024, 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

The International Monetary Fund projects real global GDP growth during 2024 and 2025 to be 3.2%, the same pace as in 2023. While the global economy has generally remained resilient, the pace of expansion remains slow as a result of near-term pressures including high borrowing costs, tightening fiscal policies and geopolitical tensions[1].

On the travel front, according to the United Nations World Tourism Organization, international visitor arrivals had reached 97% of pre-pandemic levels in 1Q 2024, underscoring the sector's near-complete recovery from the effects of the pandemic. For the full year of 2024, international visitor arrivals are projected to grow 2% above pre-pandemic levels, supported by enhanced air connectivity and the continued recovery of China and other major Asian markets. Nonetheless, economic and geopolitical headwinds remain as challenges to international tourism and confidence levels[2].

CLAS maintains a cautiously optimistic view on the demand for lodging. CLAS is expected to remain resilient given its geographic diversification, range of lodging asset classes and different contract types, which provide a balanced mix of stable and growth income. As pent-up demand for travel moderates, regular travel patterns and seasonality are expected to return in more markets.

CLAS actively enhances the quality and returns of its portfolio through accretive acquisitions, strategic divestments and asset enhancement initiatives (AEI). Over the past year, CLAS has divested nine mature properties at premium to book value, unlocking gains for Stapled Securityholders. The remaining divestment of Novotel Sydney Parramatta in Australia is on track to be completed in 3Q 2024. CLAS has redeployed a portion of the proceeds from the divestments into higher-yielding investments and AEI. The remaining proceeds have been used to pare down higher-interest debt whilst CLAS continues to evaluate opportunities to recycle the capital towards optimal and accretive uses.

CLAS has announced AEI for eight of its properties. Four of these projects have been completed in the first half of 2024 and the remaining four – Citadines Holborn-Covent Garden London, Temple Bar Hotel Dublin, The Cavendish London and Sydney Central Hotel, are expected to be completed in phases from the second half of 2024 to 2026. These AEI and CLAS' ongoing development project, Somerset Liang Court Singapore, provide further capacity for CLAS' growth.

Central banks in key global markets are expected to ease interest rates, albeit at a gradual pace[3]. CLAS has a healthy financial position and will continue to adopt an active and prudent approach towards capital management. As at 30 June 2024, CLAS' average cost of debt was 3.0% per annum. It is expected to remain stable through to the end of 2024, as about 82% of CLAS' debt is effectively on fixed rates and the weighted average debt to maturity is 3.6 years. Gearing is 37.2%, which offers CLAS headroom to pursue investment opportunities. Interest cover is healthy at 3.7 times.

Sources:
1 "Global recovery is steady but slow and differs by region" (International Monetary Fund), April 2024
2 "International tourism reached 97% of pre-pandemic levels in the first quarter of 2024" (United Nations World Tourism Organization), May 2024
3 "Fed's rate-cut delay won't hold back the tide of global easing" (The Business Times), July 2024

6. Distributions

6(a) **Current financial period**

Any distributions declared for the current financial period? Yes

Period of distribution: Distribution for 1 January 2024 to 30 June 2024

Distribution Type	Distribution Rate (cents)
Taxable Income	0.465
Tax Exempt Income	0.574
Capital	1.508
Total	**2.547**

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 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(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 : 5 August 2024

6(e) Date payable : 29 August 2024

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 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lui Chong Chee 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

26 July 2024