



CAPITALAND ASCOTT REIT
(a real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

CAPITALAND ASCOTT BUSINESS TRUST
(a business trust constituted on 9 September 2019 under the laws of the Republic of Singapore)

MANAGED BY

MANAGED BY

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED
(formerly known as Ascott Residence Trust Management Limited)

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
(formerly known as Ascott Business Trust Management Pte. Ltd.)

ANNOUNCEMENT

ENTRY INTO INTERESTED PERSON TRANSACTIONS:

1. **RENEWAL OF SERVICED RESIDENCE MANAGEMENT AGREEMENTS FOR 3 UK PROPERTIES;**
2. **APPOINTMENT OF ASCOTT INTERNATIONAL MANAGEMENT PTE LTD FOR PROVISION OF HOTEL MANAGEMENT SERVICES FOR RIVERSIDE HOTEL ROBERTSON QUAY; AND**
3. **SHORT TERM EXTENSION OF MASTER LEASE FOR ASCOTT ORCHARD SINGAPORE**

1. INTRODUCTION

CapitaLand Ascott Trust Management Limited (formerly known as Ascott Residence Trust Management Limited), in its capacity as manager of CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) (the “**REIT**”, and the manager of the REIT, the “**REIT Manager**”) and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.), in its capacity as trustee-manager of CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) (the “**BT**”, and the trustee-manager of the Business Trust, the “**BT Trustee-Manager**” and the REIT Manager and the BT Trustee-Manager collectively, the “**Managers**”), wish to announce the following interested person transactions:

- (i) Renewal of each of the serviced residence management agreements (“**UK SRMA Renewal**”) for the properties known as Citadines Trafalgar Square London, Citadines Barbican London, Citadines Holborn-Covent Garden London between a subsidiary of the REIT and Ascott Hospitality Management (UK) Ltd (“**AHMUK**”);
- (ii) Appointment of Ascott International Management Pte. Ltd. (“**AIMPL**”) to provide technical advisory services and hotel management services for the property currently known as Riverside Hotel Robertson Quay (“**Hotel Management Appointment**”); and

- (iii) Short term extension of the Master Lease with Ascott Orchard Management (S) Pte. Ltd. (“**AOMPL**”) for Ascott Orchard Singapore (“**AOS ML Extension**”)

2. DISCLOSURE REQUIREMENTS

As at the date of this announcement, CapitaLand Investment Limited (“**CLI**”) has (i) direct and deemed interests of approximately 37.46% of the total number of Stapled Securities in issue¹ and (ii) wholly owns the Managers and is therefore regarded as a Controlling Stapled Securityholder of CapitaLand Ascott Trust (“**CLAS**”) and a Controlling Shareholder of the Managers respectively under the Property Funds Appendix and the Listing Manual.

AHMUK, AIMPL and AOMPL, being wholly owned subsidiaries of CLI, are “Interested Persons” of CLAS and Interested Parties of the REIT respectively and accordingly each of the UK SRMA Renewal, Hotel Management Appointment and AOS ML Extension (collectively the “**Interested Person Transactions**”) constitutes an Interested Person Transaction under Chapter 9 of the Listing Manual and/or an Interested Party Transaction under Paragraph 5 of the Property Funds Appendix.

Each of the Interested Person Transactions, when aggregated with the existing interested persons transactions with CLI and its subsidiaries and associates for the current financial year would exceed 3% of the latest net tangible assets of CLAS and accordingly under Rule 905 of the Listing Manual, the Managers must make an announcement of the Interested Person Transactions.

3. RATIONALE AND KEY TERMS FOR THE INTERESTED PERSON TRANSACTIONS

3.1 UK SRMA RENEWAL

FBM London Limited (“**FBM**”), a subsidiary of the REIT, and AHMUK have entered into three separate serviced residence management agreements (collectively the “**SRMA**”) for Citadines Trafalgar Square London, Citadines Barbican London and Citadines Holborn-Covent Garden London respectively.

Pursuant to the SRMA, AHMUK will provide services that include, inter alia, management and maintenance of the properties, planning and supervision of all personnel, supervision and control of activities of guests and planning and contracting for advertising and promotion programmes (the “**SR Management Services**”) for a term of 10 years from 1 May 2022 (the “**SR Term**”).

FBM will pay AHMUK an estimated amount (based on the forecast total revenue and gross operating profit for the SR Term) of (i) approximately S\$22.5 million for Citadines Trafalgar Square London; (ii) approximately S\$11.0 million for Citadines Barbican London; and (iii) approximately S\$18.5 million for Citadines Holborn-Covent Garden London as fees (“**SR Management Fees**”) for the SR Management Services provided by AHMUK for the SR Term. The SR Management Fees are calculated based on a schedule of percentages of the forecast total revenue and gross operating profit for each fiscal year during the SR Term. AHMUK has undertaken to pay FBM a minimum guaranteed income for each property as set out in each of the SRMA respectively.

Comparative terms were sought by the Managers and AHMUK’s terms of the SR Management Services were fair and within the usual range for properties in the same market.

The UK SRMA Renewal will benefit CLAS as Ascott is one of the leading international owner-operators and has a proven track record of delivering good quality serviced residences and AHMUK is the existing manager and has the necessary experience in managing the properties.

¹ Based on 3,441,973,524 Stapled Securities in issue in CLAS as at the date of this announcement.

3.2 HOTEL MANAGEMENT APPOINTMENT

Ascendas Hospitality Trust Management Pte Ltd, as trustee manager of Ascendas Hospitality Business Trust² (“**AHBT**”) and AIMPL have entered into a hotel management agreement and a technical advisory services agreement (collectively the “**HMA**”) for the property currently known as Riverside Hotel Robertson Quay.

Under the HMA, AIMPL will (i) provide technical services, including, inter alia, reviewing concept and interior design, establishing requirements for furniture, fixtures and equipment and providing guidelines on pre-opening systems and processes for rebranding and renovation of the property; and (ii) provide management services, including, inter alia, management and maintenance of the property, recruitment, planning and supervision of all personnel, supervision and control of activities of guests and planning and contracting for advertising and promotion programmes (collectively the “**HMA Services**”). The HMA is effective from 1 October 2022 and will continue for a period of 20 years from completion of rebranding and renovation³ (“**HMA Term**”).

AHBT will pay AIMPL an estimated amount of approximately S\$56.6 million (“**HMA Fees**”) for the HMA Services provided by AIMPL for the HMA Term. The HMA Fees are calculated based on a schedule of percentages of the forecast total revenue and gross operating profit for each fiscal year during the HMA Term. AIMPL will bear key money for the rebranding and renovation of the property and has undertaken to pay AHBT a minimum guaranteed income as set out in the HMA.

The Managers sought comparative proposals from hospitality operators (on the basis of master leases and management agreements) and AIMPL’s terms for the HMA Services were most attractive based on the offers received.

The Hotel Management Appointment will benefit CLAS as Ascott is one of the leading international owner-operators and has a proven track record of delivering good quality hospitality products and AIMPL has the necessary experience in managing similar properties.

3.3 AOS ML EXTENSION

DBS Trustee Limited as trustee of CapitaLand Ascott REIT and AOMPL entered into a supplemental lease agreement to extend the Master Lease for Ascott Orchard Singapore for a period commencing 10 October 2022 and ending 30 November 2022 (on the same terms and conditions). Rent for the AOS ML Extension is estimated to be approximately S\$2.8 million.

The AOS ML Extension is to facilitate the on-going negotiations to reposition Ascott Orchard Singapore.

4. AUDIT COMMITTEE STATEMENT

The Audit Committee has considered the terms of the Interested Person Transactions and is of the view that the Interested Person Transactions are all on normal commercial terms and are not prejudicial to the interests of CLAS and its minority stapled securityholders.

² The property is held under Ascendas Hospitality Real Estate Investment Trust. A master lease was entered into between Ascendas Hospitality Real Estate Investment Trust and AHBT for a period of 20 years and 9 months with effect from 1 October 2022.

³ Estimated to be completed by 30 June 2022.

5. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

As at the date of this announcement:

- (i) the aggregate value of all the interested person transactions entered into between CLAS and CLI and its subsidiaries and associates during the course of the current financial year is approximately S\$520.4 million⁴ respectively; and
- (ii) the aggregate value of all the interested person transactions entered into between CLAS, its entities at risk and interested persons during the course of the financial year is approximately S\$536.0 million respectively.

6 INTEREST OF DIRECTORS AND SUBSTANTIAL STAPLED SECURITYHOLDERS

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate interest of 1,893,125 Stapled Securities in CLAS and 990,669 shares in CLI.

Ms Serena Teo is the Chief Executive Officer and Executive Non-Independent Director of the Managers, Mr Kevin Goh is a Non-Executive Non-Independent Director of the Managers and the Chief Executive Officer of The Ascott Limited and Ms Beh Siew Kim a Non-Executive Non-Independent Director of the Managers and is the Chief Financial & Sustainability Officer of The Ascott Limited.

Save as disclosed above and as at the date of this announcement, none of the Directors or the controlling Stapled Securityholder has an interest, direct or indirect, in the Interested Person Transactions, other than their respective stapled securityholdings in CLAS.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Manager as a result of the Interested Person Transactions or any other transactions contemplated in relation to the Interested Person Transactions.

By Order of the Board

CapitaLand Ascott Trust Management Limited
(formerly known as Ascott Residence Trust
Management Limited)
(Company Registration No. 200516209Z)
As manager of CapitaLand Ascott REIT

**CapitaLand Ascott Business Trust
Management Pte. Ltd.**
(formerly known as Ascott Business Trust
Management Pte. Ltd.)
(Company Registration No. 201925299R)
As trustee-manager of CapitaLand Ascott
Business Trust

Karen Chan
Company Secretary
3 October 2022

Karen Chan
Company Secretary
3 October 2022

⁴ This includes the value of the interested person transactions for which approval of stapled securityholders has been obtained at the extraordinary general meeting held on 9 September 2022.

Important Notice

The value of stapled securities in CapitaLand Ascott Trust ("**Stapled Securities**") and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by CapitaLand Ascott Trust Management Limited, as manager of CapitaLand Ascott REIT (the "**REIT Manager**"), CapitaLand Ascott Business Trust Management Pte. Ltd., as trustee-manager of CapitaLand Ascott Business Trust (the "**BT Trustee-Manager**", together with the REIT Manager, the "**Managers**"), or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of CapitaLand Ascott Trust is not necessarily indicative of the future performance of CapitaLand Ascott Trust.