



**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

**CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED**

(formerly known as Ascott Residence Trust Management Limited)

MANAGED BY

**CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.**

(formerly known as Ascott Business Trust Management Pte. Ltd.)

**ANNOUNCEMENT**

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**ENTRY INTO INTERESTED PERSON TRANSACTION: APPOINTMENT OF ASCOTT INTERNATIONAL MANAGEMENT PTE LTD FOR PROVISION OF SERVICED RESIDENCE MANAGEMENT SERVICES FOR ASCOTT ORCHARD SINGAPORE**

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**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 appointment of Ascott International Management Pte. Ltd. (“**AIMPL**”) to provide serviced residence management services for the property currently known as Ascott Orchard Singapore (“**AOS Appointment**”).

**2. DISCLOSURE REQUIREMENTS**

As at the date of this announcement, CapitaLand Investment Limited (“**CLI**”) has (i) direct and deemed interests of approximately 37.52% of the total number of Stapled Securities in issue<sup>1</sup> 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.

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<sup>1</sup> Based on 3,445,624,968 Stapled Securities in issue in CLAS as at the date of this announcement.

AIMPL, being a wholly owned subsidiary of CLI, is an “Interested Person” of CLAS and an Interested Party of the REIT respectively and accordingly AOS Appointment 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.

The AOS Appointment, 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 AOS Appointment.

### **3. RATIONALE AND KEY TERMS FOR THE AOS APPOINTMENT**

DBS Trustee Limited, as trustee of the REIT, the REIT Manager and AIMPL have entered into a serviced residence management agreement (the “**SRMA**”) for the property currently known as Ascott Orchard Singapore.

Under the SRMA, AIMPL will 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 “**SRMA Services**”). The SRMA is effective from 1 December 2022 and will continue for a period of 20 years (“**SRMA Term**”).

The REIT will pay AIMPL an estimated amount of approximately S\$62.3 million (“**SRMA Fees**”) for the SRMA Services provided by AIMPL for the SRMA Term. The SRMA Fees are calculated based on a schedule of percentages of the forecast total revenue and gross operating profit for each fiscal year during the SRMA Term. AIMPL will bear key money for the future renovation of the property and has undertaken to pay the REIT a minimum guaranteed income as set out in the SRMA.

The Managers appointed Colliers International Consultancy & Valuation (Singapore) Pte Ltd for an independent review of the terms. Their report, issued on 31 October 2022, confirmed AIMPL’s terms for the SRMA Services to be within market benchmarks and fair and reasonable.

The SRMA will benefit the REIT 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.

### **4. AUDIT COMMITTEE STATEMENT**

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

### **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\$587.7 million<sup>2</sup> respectively; and

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<sup>2</sup> 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.

- (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\$610.3 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 AOS Appointment, 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 AOS Appointment or any other transactions contemplated in relation to the AOS Appointment.

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  
25 November 2022

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Company Secretary  
25 November 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 CapitalLand Ascott Trust is not necessarily indicative of the future performance of CapitalLand Ascott Trust.