



CAPITALAND ASCOTT TRUST

A stapled group comprising:

CapitaLand Ascott Real Estate Investment Trust

(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

(Company Registration No. 200516209Z)

Managed by

CapitaLand Ascott Business Trust Management

Pte. Ltd.

(Company Registration No. 201925299R)

ANNOUNCEMENT

ENTRY INTO A MEMORANDUM OF UNDERSTANDING, IN RESPECT OF THE PROPOSED ACQUISITIONS OF (A) A 100.0% INTEREST IN THE CAVENDISH LONDON, (B) A 100.0% INTEREST IN TEMPLE BAR HOTEL, AND (C) A 100.0% INTEREST IN ASCOTT KUNINGAN JAKARTA, AS INTERESTED PERSON TRANSACTIONS

For illustrative purposes, certain GBP, EUR, USD and IDR amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rates of GBP 1.00 = S\$1.73159, EUR 1.00 = S\$1.48176, USD 1.00 = S\$1.31889 and IDR 1.00= S\$0.0000884 respectively. Such translations should not be construed as representations that the GBP, EUR, USD and IDR amounts referred to could have been, or could be, respectively converted into Singapore dollars, as the case may be, at that or any other rate or at all.

1. INTRODUCTION

CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott Real Estate Investment Trust (“**CapitaLand Ascott REIT**”, and the manager, the “**Manager**”)), and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott Business Trust (“**CapitaLand Ascott BT**”, and the trustee-manager, the “**Trustee-Manager**”), and together with the Manager, the “**Managers**”), are pleased to announce that they have, on 2 August 2023, entered into a memorandum of understanding with The Ascott Limited (the “**MOU**”) pursuant to which the parties thereto have set out the basic terms with respect to the proposed acquisitions of:

- (i) 100.0% of the shares in the Cavendish TargetCo (as defined herein) which indirectly holds The Cavendish London, a hotel located at 81 Jermyn St, St. James's, London SW1Y 6JF, United Kingdom ("**The Cavendish London**");
- (ii) Temple Bar Hotel, a hotel located at 13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51, Ireland ("**Temple Bar Hotel**"); and
- (iii) 100.0% of the shares in each of the Kuningan TargetCos (as defined herein), both of which indirectly hold Ascott Kuningan Jakarta, a serviced residence located at Ciputra World 1 Jalan Prof Dr Satrio Kav. 3-5 Jakarta 12940, Indonesia ("**Ascott Kuningan Jakarta**").

For the purposes of this Announcement, the "**Properties**" (each, a "**Property**") refer to The Cavendish London, Temple Bar Hotel and Ascott Kuningan Jakarta.

2. INFORMATION ON THE PROPERTIES

The table below sets out certain information on the Properties:

	The Cavendish London	Temple Bar Hotel	Ascott Kuningan Jakarta
Lodging Type	Hotel	Hotel	Serviced Residence
Address	81 Jermyn St, St. James's, London SW1Y 6JF, United Kingdom	13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51, Ireland	Ciputra World 1 Jalan Prof Dr Satrio Kav. 3-5 Jakarta 12940, Indonesia
Number of units	230	136	185
Gross Floor Area	Approximately 10,900 sq m	Approximately 7,800 sq m	Approximately 18,900 sq m
Year Built	1964	1993	2014
Contract type	Management contract with minimum guaranteed income	Management contract with minimum guaranteed income	Management contract
Title	Leasehold estate expiring on 11 November 2158	Freehold	Strata titles on land with two leasehold estates expiring on 19 May 2027 and 1 April 2029 and extendable ⁽¹⁾

Notes:

- (1) The serviced residence units (consisting of strata titles) are situated on land with two Hak Guna Bangunan (right to build) ("**HGB**") titles which are expiring on 19 May 2027 and 1 April 2029. The duration is generally extendable for a maximum period of 20+30 years on payment of a fee payable to the local land office (at 0.2% of the land value for each extension). On expiry of the extensions, the HGB may be renewed for further terms of 30+20+30 on the same basis.

3. PRINCIPAL TERMS OF THE MOU

3.1 Structure of the Proposed Acquisitions

Pursuant to the MOU, the Managers and The Ascott Limited have agreed that:

- (i) CapitaLand Ascott REIT, through its wholly owned subsidiary, Ascott REIT (Europe) Pte Ltd, will enter into a conditional share purchase agreement (the "**Cavendish SPA**") with Ascott (Jersey) Limited (the "**Cavendish Vendor**") to acquire 100.0% of the shares in Ascott St James (Jersey) Limited (the "**Cavendish TargetCo**"), which indirectly holds The Cavendish London (the "**Cavendish Share Acquisition**");

- (ii) CapitaLand Ascott BT, through its wholly owned subsidiary to be incorporated, will enter into a conditional purchase agreement (the “**Temple Bar Purchase Agreement**”) with Citadines Temple Bar Limited (the “**Temple Bar Vendor**”) to acquire Temple Bar Hotel (“**Temple Bar Property Acquisition**”); and
- (iii) DBS Trustee Limited, as trustee of CapitaLand Ascott REIT (the “**Trustee**”) will enter into a conditional share purchase agreement (the “**Kuningan SPA**”) with Piatra Pte Ltd (the “**Kuningan Vendor**”) to acquire (i) 100.0% of the shares in Ascott Kuningan (S) Pte. Ltd. and (ii) 100.0% of the shares in Ascott Tower (S) Pte. Ltd. (each, a “**Kuningan TargetCo**” and collectively, the “**Kuningan TargetCos**”, and together with the Cavendish TargetCo, the “**TargetCos**”), both of which indirectly hold Ascott Kuningan Jakarta (together with the Cavendish Share Acquisition and the Temple Bar Property Acquisition, the “**Proposed Acquisitions**”).

Each of the Cavendish Vendor, the Temple Bar Vendor and the Kuningan Vendor is a wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CapitaLand Investment Limited (“**CLI**”).

3.2 Key Terms of the MOU

The key terms of the MOU include the following:

- (i) the respective Properties will be sold subject to the terms of the Cavendish SPA, the Temple Bar Purchase Agreement and the Kuningan SPA (together, the “**Purchase Agreements**”);
- (ii) the initial drafts of each of the Purchase Agreements shall be prepared in accordance with the principal terms and conditions set forth in the MOU, and the parties shall engage in good faith negotiation and discussion with respect to the terms and conditions not already covered under the MOU;
- (iii) the parties shall use their best efforts to agree and execute the Purchase Agreements prior to 30 November 2023 or such longer date as may be agreed by the parties (the “**Long Stop Date**”);
- (iv) the MOU shall expire upon the earlier of:
 - (a) the Long Stop Date; or
 - (b) when the Purchase Agreements are executed,
 (the “**Term**”); and
- (v) the initial drafts of each of the management agreements (the “**Management Agreements**”) to be entered into upon completion of the Proposed Acquisitions shall be prepared in accordance with the principal terms and conditions as set forth in the MOU, and the parties shall engage in good faith negotiation and discussion with respect to the terms and conditions not already covered under the MOU;
- (vi) The Ascott Limited shall grant CapitaLand Ascott Trust (“**CLAS**”) an exclusivity period during the Term to conduct due diligence and to negotiate the Purchase Agreements and the Management Agreements. During the Term, The Ascott Limited shall not engage in discussions, solicit offers from other parties for the sale

of any of the Properties or enter into arrangements to sell any of the Properties to other parties; and

- (vii) the entry into the Purchase Agreements shall be subject to the parties agreeing to the terms of the Purchase Agreements and the Management Agreements and the Managers completing the due diligence to their satisfaction.

As the entry into the Purchase Agreements is subject to the parties agreeing to the terms of the Purchase Agreements and the Management Agreements and the Managers completing the due diligence to their satisfaction, there is no certainty or assurance that any definitive agreements will be entered into or that the Proposed Acquisitions will materialise.

3.3 Key Terms of the Purchase Agreements and the Management Agreements as set out in the MOU

Pursuant to the MOU, the Purchase Agreements and the Management Agreements shall contain the following terms:

3.3.1 the agreed property value and purchase consideration for the Properties are as follows:

- (a) **The Cavendish London:** the purchase consideration for The Cavendish London of GBP 116.3 million (approximately S\$201.3 million), which will be subject to post completion adjustments, is based on:
 - (i) in respect of the share consideration, the consolidated net asset value of the Cavendish TargetCo of GBP 62.2 million (approximately S\$107.6 million) as at 31 May 2023, which takes into account the agreed property value of The Cavendish London of GBP 215.0 million (approximately S\$372.3 million); and
 - (ii) in respect of the loan consideration, the assignment to Ascott REIT (Europe) Pte Ltd of the shareholder's loans held by the Cavendish Vendor to the Cavendish TargetCo of GBP 54.1 million (approximately S\$93.7 million) as at 31 May 2023;
- (b) **Temple Bar Hotel:** the purchase consideration for Temple Bar Hotel is EUR 70.0 million (approximately S\$103.7 million) (which would be allocated between the sale of the Property and the transfer of the business) and is subject to prorations for out-goings and stock as at completion of the Temple Bar Property Acquisition; and
- (c) **Ascott Kuningan Jakarta:** the purchase consideration for Ascott Kuningan Jakarta of USD 40.0 million¹ (approximately S\$52.8 million), which will be subject to post completion adjustments, is based on:
 - (i) in respect of the share consideration, the consolidated net asset value of the Kuningan TargetCos of USD 1.6 million (approximately S\$2.1 million) as at 31 May 2023 which takes into account the

¹ USD is used as this is the reporting currency of the Kuningan TargetCos.

agreed property value of the Ascott Kuningan Jakarta of IDR 620.0 billion (approximately S\$54.8 million); and

- (ii) in respect of the loan consideration, the assignment to the Trustee of the shareholder's loans held by the Kuningan Vendor to the Kuningan TargetCos of approximately S\$50.7 million as at 31 May 2023;
- 3.3.2 the purchase consideration is subject to adjustments, if any, arising from the due diligence and shall be satisfied in cash;
- 3.3.3 the purchase consideration less the Milestone Payment (as defined herein) will be paid on completion of the Proposed Acquisitions;
- 3.3.4 part of the payment of the purchase consideration in relation to The Cavendish London and Temple Bar Hotel will be made post completion of the Cavendish Share Acquisition and the Temple Bar Property Acquisition ("**Milestone Payment**") as follows:
 - (a) **The Cavendish London:** GBP 37.0 million (approximately S\$64.1 million) to be made upon substantial completion of the renovation of The Cavendish London; and
 - (b) **Temple Bar Hotel:** EUR 20.6 million (approximately S\$30.5 million) to be made upon substantial completion of the renovation of Temple Bar Hotel;
- 3.3.5 the conditions precedent for completion of the Proposed Acquisitions shall include, among others, the following:
 - (a) completion of each of the Proposed Acquisitions will be inter-conditional upon the other Proposed Acquisitions;
 - (b) completion will be subject to the approval of the stapled securityholders of CLAS ("**Stapled Securityholders**") at an extraordinary general meeting to be convened;
 - (c) none of the Properties (or any part of the Properties) are subject to any order or notice for compulsory acquisition;
 - (d) approval and consent of lenders, if required, in connection with the Proposed Acquisitions; and
 - (e) approval of authorities, if required, in connection with the Proposed Acquisitions;
- 3.3.6 upon completion of the Proposed Acquisitions, the Management Agreements will be entered into; and
- 3.3.7 the terms of the Management Agreements will include the following:
 - (a) the operator² will provide management services, including management and maintenance of the property, recruitment, planning and supervision of

² The operators are wholly owned subsidiaries of The Ascott Limited.

all personnel, supervision and control of activities of guests and planning and contracting for advertising and promotion programmes (the “Services”);

- (b) the operator will be paid fees for the Services calculated based on a schedule of percentages of the total revenue and gross operating profit for each fiscal year during the term of the Management Agreements;
- (c) renovation of The Cavendish London will be carried out from the fourth quarter of 2024 to the fourth quarter of 2025;
- (d) renovation of Temple Bar Hotel will be carried out from the first quarter of 2024 to the fourth quarter of 2024; and
- (e) the operator will contribute to the costs of the renovation and rebranding of The Cavendish London and Temple Bar Hotel respectively and will undertake to pay, until the commencement of renovation works (the “Works”), a minimum guaranteed income (“MGI”) of (i) GBP 10.8 million (approximately S\$18.7 million) per fiscal year for The Cavendish London; and (ii) EUR 4.2 million (approximately S\$6.2 million) per fiscal year for Temple Bar Hotel, respectively. During the period where the Works are being carried out, the MGI will be reduced depending on the extent of downtime in the operations of the Properties. The MGI for The Cavendish London will be increased following the completion of the Works and the parties will engage in good faith discussions on such increased MGI taking into account the cost of the Works and expected returns.

4. DETAILS OF THE PROPOSED ACQUISITIONS

4.1 Purchase Consideration and Valuation

The table sets out the valuations and purchase consideration for the Properties.

	The Cavendish London		Temple Bar Hotel		Ascott Kuningan Jakarta		Total
Valuer	SG&R Valuation Services Company LLC (HVS London) (“HVS”)	Cushman & Wakefield LLP	HVS	Cushman & Wakefield Ireland	SG&R Singapore Pte Ltd	Cushman & Wakefield VHS Pte. Ltd.	N/A
Valuer commissioned by	Manager	Trustee	Trustee-Manager	Trustee-Manager	Manager	Trustee	N/A
Date of Valuation	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	N/A
Valuation Method	Discounted Cash Flow method	Discounted Cash Flow method	Discounted Cash Flow method	Discounted Cash Flow method	Discounted Cash Flow method	Discounted Cash Flow method	N/A
Valuation⁽¹⁾	GBP 215.0 million (approximately S\$372.3 million)	GBP 215.5 million (approximately S\$373.2 million)	EUR 78.2 million (approximately S\$115.9 million)	EUR 71.9 million (approximately S\$106.5 million)	IDR 642.4 billion (approximately S\$56.8 million)	IDR 636.0 billion (approximately S\$56.2 million)	N/A
Agreed property value	GBP 215.0 million (approximately S\$372.3 million)		EUR 70.0 million (approximately S\$103.7 million)		IDR 620.0 billion (approximately S\$54.8 million)		Approximately S\$530.8 million

	The Cavendish London	Temple Bar Hotel	Ascott Kuningan Jakarta	Total
Purchase consideration⁽²⁾	GBP 116.3 million (approximately S\$201.3 million)	EUR 70.0 million (approximately S\$103.7 million)	USD 40.0 million ⁽³⁾ (approximately S\$52.8 million)	Approximately S\$357.8 million

Notes:

- (1) As-is valuation as of 30 June 2023.
- (2) This is an estimate and is subject to adjustments (including post completion adjustments). The purchase consideration for The Cavendish London and Ascott Kuningan Jakarta is based on (i) the consolidated net asset value of such TargetCos (which takes into account the agreed property values) and (ii) the assignment of shareholder's loans.
- (3) USD is used as this is the reporting currency of the Kuningan TargetCos.

4.2 Total Acquisition Cost

The total acquisition outlay (the "**Total Acquisition Outlay**") is approximately S\$378.6 million, comprising:

- (i) the estimated purchase consideration of S\$357.8 million, subject to completion adjustments;
- (ii) an acquisition fee (the "**Acquisition Fee**") payable in stapled securities of CLAS (the "**Stapled Securities**") to the Managers pursuant to the trust deed constituting CapitaLand Ascott REIT dated 19 January 2006 (as amended from time to time) between the Manager and the Trustee, and the trust deed constituting CapitaLand Ascott BT dated 9 September 2019 (as amended from time to time) (collectively, the "**Trust Deeds**") for the Proposed Acquisitions of approximately S\$5.3 million (being 1.0% of the Enterprise Value³ of S\$530.5 million)⁴; and
- (iii) the estimated professional and other fees and expenses incurred or to be incurred by CLAS in connection with the Proposed Acquisitions (inclusive of the equity financing-related expenses and debt financing-related expenses) of approximately S\$15.5 million.

4.3 Method of Financing

The Managers intend to finance the Total Acquisition Outlay (excluding the Milestone Payment of approximately S\$94.6 million and acquisition fees payable in Stapled Securities of approximately S\$5.3 million) with:

- (i) approximately S\$173.5 million (including S\$3.3 million of estimated fees and expenses incurred or to be incurred in connection with the equity fund raising) of the gross proceeds to be raised from the issuance of new Stapled Securities ("**New Stapled Securities**") pursuant to a placement and preferential offering (the "**Equity Fund Raising**");
- (ii) approximately S\$45.1 million from the proceeds raised in the placement in August 2022;

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- 3 As defined in the Trust Deeds,
- (a) where the assets acquired by CapitaLand Ascott REIT are shares in a special purpose vehicle whose primary purpose is to hold/own real estate (directly or indirectly), "**Enterprise Value**" shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by CapitaLand Ascott REIT; and
 - (b) where the asset acquired by CapitaLand Ascott BT is a real estate, "**Enterprise Value**" shall mean the value of the real estate.
- 4 As the Proposed Acquisitions will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee shall be in the form of Acquisition Fee Stapled Securities and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

- (iii) approximately S\$8.2 million from divestment proceeds; and
- (iv) approximately EUR 35.0 million (approximately S\$51.9 million) from debt financing in relation to Temple Bar Hotel.

The Equity Fund Raising will be undertaken through an issuance of New Stapled Securities by way of a private placement and a non-renounceable preferential offering, relying on the general mandate given to the Managers at the annual general meeting of CLAS held on 18 April 2023. (See announcement dated 2 August 2023 titled “*Launch of Equity Fund Raising to Raise Gross Proceeds of No Less Than Approximately S\$300 million*” for further details of the Equity Fund Raising.)

The exact method of funding for the Milestone Payment will be determined closer to the time the Milestone Payment is required.

5. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITIONS

5.1 Enhance distribution per Stapled Security (“DPS”) to Stapled Securityholders

The earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) yield⁵ of the Proposed Acquisitions is 5.1% on a FY 2022 pro forma basis. Excluding the Milestone Payment which is to be paid only upon substantial completion of the renovation of The Cavendish London and Temple Bar Hotel, the EBITDA yield of the Proposed Acquisitions is 6.2%.

CLAS’ total distribution is expected to increase by S\$13.5 million following the Proposed Acquisitions, translating to a DPS accretion of 1.8%⁶. CLAS’ distribution yield is expected to increase from 5.4% to 5.5%.

5.2 Properties are located in prime locations of key capital cities, positioned to benefit from the recovery in travel demand

The Cavendish London is located in the exclusive Mayfair high-end shopping district of central London, within a 5-to-10-minute drive from iconic attractions including the Buckingham Palace, Big Ben, West End theatre, as well as royal parks such as Green Park, Hyde Park and Piccadilly Circus.

London, the capital city of the United Kingdom, is one of the stronger performing markets in the CLAS portfolio and globally. London’s market revenue per available unit (“**RevPAU**”) for the first half of 2023 was 112% of the same period in 2019⁷. The EBITDA yield of the pre-renovated The Cavendish London is 4.1% on a FY 2022 pro forma basis⁸.

Dublin is the capital city of Ireland. According to HVS, it is home to some of the world’s largest pharmaceutical companies and it is one of the IT hubs of Europe⁹. Temple Bar Hotel is located in the Temple Bar area, which is a key tourist destination and entertainment district

5 EBITDA yield is based on agreed property value and before asset enhancement initiatives, if any (unless otherwise stated).

6 Please refer to paragraph 6 for the assumptions in relation to the pro forma financial effects.

7 Source: Extracted from STR database.

8 Please refer to paragraph 5.3 for details on the EBITDA yield post-renovation.

9 Based on valuation report by HVS.

of Dublin. The property is within a 5-to-10-minute walk from Dublin's shopping streets, such as Grafton Street and Henry Street, as well as renowned landmarks such as Trinity College, Dublin Castle and National Gallery of Ireland. It is also close to Dublin's central business district.

While Dublin is a new market for CLAS, it has seen historical strong growth in the decade leading up to the COVID-19 pandemic. Similarly, in the first half of 2023, Dublin's market RevPAU was 110% of pre-COVID-19 levels¹⁰, and is poised to grow even stronger as international travel resumes¹¹. The Property's EBITDA yield is 7.6% on a FY 2022 pro forma basis.

Ascott Kuningan Jakarta is located in an embassy district of Jakarta's central business district. The serviced residence is part of Ciputra World 1, an integrated development that comprises an upscale shopping centre, Lotte Shopping Avenue, and Artpreneur centre, which comprises a museum, art gallery, theatre, and an office tower.

As the capital city of Indonesia, Jakarta is a historically resilient market for CLAS as its portfolio of serviced residences in Jakarta has a higher proportion of long stays. Jakarta's market RevPAU in the first half of 2023 was 111% of pre-COVID-19 levels¹². The continued return of international visitors to Jakarta is expected to provide a further boost to the Property's performance. The Property's EBITDA yield is 6.7% on a FY 2022 pro forma basis.

Upon completion of the Proposed Acquisitions, all three Properties will be under the Management Agreements, with two of them (The Cavendish London and Temple Bar Hotel) having a MGI provision. The Management Agreements allow Stapled Securityholders to benefit from the upside as travel demand continues to recover, while the MGI provision provides downside protection.

5.3 Excellent value-add opportunity in The Cavendish London

The Cavendish London is the largest asset amongst the Properties, comprising approximately 70% of the total agreed property value of the Proposed Acquisitions. It is a rare opportunity to acquire an asset in the exclusive Mayfair area in London.

The renovation to rebrand The Cavendish London under "The Crest Collection", a luxury brand managed by The Ascott Limited, will increase the property positioning, EBITDA yield and value, and this is facilitated by operator support to co-share renovation costs¹³. The renovation will be carried out from the fourth quarter of 2024 to the fourth quarter of 2025. CLAS has the flexibility to distribute past divestment gains to mitigate the impact from the temporary closure of the property during the renovation period.

Based on the valuation by HVS, the valuation of The Cavendish London is expected to be GBP 316.0 million (approximately S\$547.2 million) following the renovation and stabilisation of the property in 2027, an increase of GBP 101.0 million (approximately S\$174.9 million) from the as-is valuation of GBP 215.0 million (approximately S\$372.3 million) on 30 June

10 Source: Extracted from STR database.

11 Source: STR (November 2022) - "Ireland's hotel industry is well-positioned heading into 2023".

12 Source: Extracted from STR database.

13 CLAS will bear approximately GBP 27.5 million (approximately S\$47.6 million) of the renovation costs which is expected to be funded by bank borrowings.

2023. At stabilisation, the Property is expected to achieve an EBITDA yield¹⁴ on total capitalised cost of approximately 6.5%.

5.4 Opportunity to acquire green, sustainably managed properties

Ascott Kuningan Jakarta has obtained green certification in June 2023, while Temple Bar Hotel is expected to be green certified by end 2023. The Cavendish London is expected to be green certified after the renovation is completed.

Including the Proposed Acquisitions, CLAS' proportion of green certified properties (by gross floor area) is expected to increase from approximately 38% as at May 2023 to 39%, in line with CLAS' target to green 50% of its portfolio by 2025.

6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

6.1 Assumptions

The pro forma financial effects of the Proposed Acquisitions on the DPS and net asset value ("NAV") per Stapled Security presented below are strictly for illustrative purposes, and were prepared based on the audited consolidated financial statements of CLAS for FY 2022 (the "2022 Audited Consolidated Financial Statements"), taking into account the agreed property values of the relevant Properties and assuming that:

- (a) the exchange rates between GBP, EUR, IDR, USD and Singapore dollars are as follows:

	Average rate for FY 2022	31 December 2022
GBP	1.71556	1.62643
EUR	1.45823	1.41840
IDR	0.000094	0.000088
USD	1.37879	1.37068

- (b) the estimated purchase consideration of the Proposed Acquisitions is S\$357.8 million¹⁵;
- (c) the costs of financing the Milestone Payment are not taken into account in determining the pro forma financial effects as the Milestone Payment will be made post completion, upon substantial completion of the renovation of The Cavendish London and Temple Bar Hotel;
- (d) approximately 5.1 million Stapled Securities are issued as payment of the acquisition fees payable to the Managers at an illustrative issue price of S\$1.03 per

14 Based on stabilised EBITDA before Furniture, Fixtures, and Equipment ("FF&E") reserves in year 2027/28 over The Cavendish London's agreed property value (GBP 215.0 million (approximately S\$372.3 million), estimated capitalised costs (GBP 3.8 million (approximately S\$6.6 million)), and estimated proportion of project cost attributable to CLAS (GBP 27.5 million (approximately S\$47.6 million)). Such EBITDA figures are from the HVS valuation on a stabilised basis.

15 Based on the exchange rate of GBP 1.00 = S\$1.73159, EUR 1.00 = S\$1.48176 and USD 1.00 = S\$1.31889.

Stapled Security;

- (e) the Managers' management fees, including the base management fee and the performance management fee, will be paid 100.0% in the form of Stapled Securities;
- (f) transactions undertaken by CLAS that were not completed as at 31 December 2022 are not taken into account in determining the pro forma financial effects; and
- (g) the effects of the renovation of The Cavendish London and Temple Bar Hotel are not taken into account in determining the pro forma financial effects, as the renovation of The Cavendish London will be carried out from the fourth quarter of 2024 to the fourth quarter of 2025, and the renovation of Temple Bar Hotel will be carried out from the first quarter of 2024 to the fourth quarter of 2024.

6.2 Pro Forma DPS and Distribution Yield

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed Acquisitions on CLAS' DPS and distribution yield for FY 2022, as if the Proposed Acquisitions were completed on 1 January 2022 and approximately 170.5 million new Stapled Securities are issued at an illustrative issue price of S\$1.018 per new Stapled Security pursuant to the Equity Fund Raising with fund raising costs of S\$3.3 million.

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Total Distribution (S\$'000)	189,834 ⁽¹⁾	203,334
Number of Stapled Securities ('000)	3,445,625 ⁽²⁾	3,622,218 ⁽³⁾
DPS (Singapore cents)	5.67	5.77
Distribution Yield (%)	5.4% ⁽⁴⁾	5.5% ⁽⁴⁾

Notes:

- (1) Based on the 2022 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2022.
- (3) Includes adjustments to include approximately 170.5 million new Stapled Securities issued at an illustrative issue price of S\$1.018 per new Stapled Security pursuant to the Equity Fund Raising, approximately 5.1 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph **Error! Reference source not found.** and Managers' management fees for the Proposed Acquisitions. The Stapled Securities issued as payment of the Managers' management fees were assumed to be issued at the same prices as those that were actually issued as payment for Managers' management fees for the existing properties for FY 2022.
- (4) Based on the closing Stapled Security price of S\$1.05 on 31 December 2022.

6.3 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed Acquisitions on the consolidated NAV of CLAS as at 31 December 2022, as if the Proposed Acquisitions were completed on 31 December 2022.

	Before the Proposed Acquisitions	After the Proposed Acquisitions
NAV (S\$'000)	3,965,436 ⁽¹⁾	4,140,903 ⁽²⁾
Stapled Securities in issue ('000)	3,445,625 ⁽³⁾	3,621,268 ⁽⁴⁾
NAV per Stapled Security (S\$)	1.15	1.14

Notes:

- (1) Based on the 2022 Audited Consolidated Financial Statements.
- (2) Adjusted for the pro forma financial effects of the Equity Fund Raising and associated costs, as if they were completed on 31 December 2022.
- (3) Number of Stapled Securities in issue as at 31 December 2022.
- (4) Includes adjustments to include approximately 170.5 million new Stapled Securities issued at an illustrative issue price of S\$1.018 per new Stapled Security pursuant to the Equity Fund Raising, and approximately 5.1 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 6.1(d)). For the avoidance of doubt, the impact of the Equity Fund Raising on the NAV per Stapled Security is not material.

7. OTHER INFORMATION

7.1 Disclosure under Chapter 10 of the Listing Manual

Chapter 10 of the Listing Manual governs significant transactions by CLAS such as the acquisition or divestment of assets, including options to acquire or dispose of assets. Such transactions are classified into the following categories: (a) non-discloseable transactions, (b) discloseable transactions, (c) major transactions and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rule 1006 of the Listing Manual:

- (i) the net profits attributable to the assets acquired, compared with CLAS and its subsidiaries' (the "**CLAS Group**") net profits; and
- (ii) the aggregate value of the consideration received, compared with the issuer's market capitalisation.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction.

Comparison of	Proposed Acquisitions	CLAS	Relative figure
Net profits, compared with the CLAS Group's net profits (S\$ million)	7.4 ⁽¹⁾	94.0 ⁽²⁾	7.9%
Consideration, compared with CLAS' market capitalisation (S\$ million)	588.5 ⁽³⁾	3,877.1 ⁽⁴⁾	15.2%

Notes:

- (1) The figure is based on (a) the unaudited consolidated net profit before tax of the TargetCos for the six-month period ended 30 June 2023 and (b) the net profit before tax in respect of Temple Bar Hotel for the six-month period ended 30 June 2023.
- (2) The figure is based on the unaudited results of the CLAS Group for the six-month period ended 30 June 2023.
- (3) The figure comprises (a) the estimated purchase consideration of S\$357.8 million, which is subject to completion adjustments and (b) the value of the corporate guarantee to be provided by the Trustee on completion of the Cavendish SPA in connection with the loan facility of GBP133.2 million (approximately S\$230.7) million which will be extended by such external financing bank to the Cavendish TargetCo.
- (4) The figure is based on the weighted average price of S\$1.1195 as at 1 August 2023 being the market day prior to the date of the MOU. Based on the above figures, the transaction is classified as a discloseable transaction. However, the figures will be re-computed to determine the classification of the transaction based on the date of entry into the Purchase Agreements. Upon the entry into the Purchase Agreements, the Managers will announce the relative figures in relation to the comparison between the consideration and the market capitalisation based on the market day prior to the date of the Purchase Agreements.

7.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where CLAS proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, entered into with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CLAS Group's latest audited net tangible assets ("**NTA**"), Stapled Securityholders' approval is required in respect of the transaction.

Based on the 2022 Audited Consolidated Financial Statements, the NTA of the CLAS Group was S\$3,965.4 million (represented by Stapled Securityholders' funds) as at 31 December 2022. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CLAS with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or exceeds of S\$198.3 million, such a transaction would be subject to Stapled Securityholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Stapled Securityholders' approval for an interested party transaction by CLAS whose value exceeds 5.0% of the CLAS Group's latest audited NAV.

Based on the 2022 Audited Consolidated Financial Statements, the NAV of the CLAS Group was S\$3,965.4 million (represented by Stapled Securityholders' funds) as at 31 December 2022. Accordingly, if the value of a transaction which is proposed to be entered into by CLAS with an interested party is equal to or greater than S\$198.3 million, such a transaction would be subject to Stapled Securityholders' approval.

Based on the 2022 Audited Consolidated Financial Statements, the aggregate value of the Proposed Acquisitions is S\$357.8 million¹⁶ or 9.0% of the NTA/NAV of the CLAS Group as at 31 December 2022. Accordingly, the value of the Proposed Acquisitions exceeds the said thresholds.

As at 31 July 2023, which is the latest practicable date prior to this Announcement (“**Latest Practicable Date**”), CLI, through its wholly-owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,017,877,689 Stapled Securities, which comprises approximately 29.39% of the total number of Stapled Securities in issue as at the Latest Practicable Date¹⁷, and is therefore regarded as a controlling stapled securityholder (“**Controlling Stapled Securityholder**”)¹⁸ of CLAS under both the Listing Manual and the Property Funds Appendix.

In addition, as the Managers are each a wholly owned subsidiary of CLI, CLI is therefore regarded as a controlling shareholder (“**Controlling Shareholder**”)¹⁹ of each of the Managers under both the Listing Manual and the Property Funds Appendix.

Each of the Cavendish Vendor, the Temple Bar Vendor and the Kuningan Vendor is a wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Cavendish Vendor, the Temple Bar Vendor and the Kuningan Vendor (being associates of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) are (for the purpose of the Listing Manual) “interested persons” and (for the purpose of the Property Funds Appendix) “interested parties” of CLAS.

Therefore, the Proposed Acquisitions will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Stapled Securityholders is required.

7.3 Opinion of the Audit Committee

The audit committee of the Managers will form their view as to whether the Proposed Acquisitions are on normal commercial terms, and are not prejudicial to the interests of CLAS and its minority stapled securityholders after the obtaining an opinion from an independent financial adviser and the signing of the Purchase Agreements.

7.4 Interests of Directors and Substantial Stapled Securityholders

Mr Goh Soon Keat Kevin, a Non-Executive Non-Independent Director of the Managers, is the Chief Executive Officer, Lodging of CLI. Ms Beh Siew Kim, a Non-Executive Non-Independent Director of the Managers, is the Chief Financial and Sustainability Officer, Lodging of CLI. Ms Beh Siew Kim is also a director of the Cavendish Vendor and the Cavendish TargetCo.

16 This excludes the Management Agreements.

17 Based on a total number of 3,463,242,395 Stapled Securities in issue as at the Latest Practicable Date.

18 A person who: (a) holds directly or indirectly, 15.0% or more of the total voting rights in CLAS. The SGX-ST may determine that such a person is not a controlling Stapled Securityholder; or (b) in fact exercises control over CLAS.

19 A person who: (a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The SGX-ST may determine that such a person is not a controlling shareholder; or (b) in fact exercises control over a company.

Based on the Register of the Stapled Securityholdings of the directors of the Managers (“**Directors**”) maintained by the Managers, the interests of Directors in the Stapled Securities as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Stapled Securities Held	% ⁽¹⁾	Contingent Awards of Stapled Securities ⁽²⁾ under the Managers’	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾			Performance Stapled Security Plan	Restricted Stapled Security Plan
Tan Beng Hai, Bob	162,790	0.005	0	0	162,790	0.005	N.A.	N.A.
Teo Joo Ling, Serena	55,456	0.002	0	0	55,456	0.002	0 to 560,972 ⁽³⁾	110,913 ⁽⁴⁾
Sim Juat Quee Michael Gabriel	110,710	0.003	0	0	110,710	0.003	N.A.	N.A.
Chia Kim Huat	133,128	0.004	0	0	133,128	0.004	N.A.	N.A.
Deborah Lee Siew Yin	38,113	0.001	0	0	38,113	0.001	N.A.	N.A.
Ong Su Kiat Melvyn	0	0	0	0	0	0	N.A.	N.A.
Goh Soon Keat Kevin	227,716	0.007	0	0	227,716	0.007	N.A.	N.A.
Beh Siew Kim	1,820,151	0.053	0	0	1,820,151	0.053	0 to 814,436 ⁽³⁾	314,523 ⁽⁴⁾

Notes:

- (1) The percentage is based on 3,463,242,395 Stapled Securities in issue as at the Latest Practicable Date.
- (2) This refers to the number of Stapled Securities which are the subject of contingent awards granted but not released under the Managers’ Performance Stapled Security Plan (“**PSSP**”) and the Restricted Stapled Security Plan (“**RSSP**”). The final number of Stapled Securities that will be released could range from 0% to a maximum of 200% of the baseline award under the PSSP and from 0% to a maximum of 150% of the baseline award under the RSSP.
- (3) The final number of Stapled Securities to be released will depend on the achievement of the pre-determined targets at the end of the respective performance periods for the PSSP.
- (4) Being the unvested Stapled Securities under the RSSP. On the final vesting, an additional number of Stapled Securities of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RSSP, will also be released.

Save as disclosed in the table below, none of the Directors currently hold any interests in the ordinary shares of CLI (“**CLI Shares**”):

Name of Directors	Direct Interest		Deemed Interest		Total No. of CLI Shares Held	% ⁽¹⁾	Contingent Awards of Shares ⁽²⁾ under CLI’s		
	No. of CLI Shares	% ⁽¹⁾	No. of CLI Shares	% ⁽¹⁾			Performance Share Plan	Special Founders Performance Share Award	Restricted Share Plan
Teo Joo Ling, Serena	0	0	0	0	0	0	0	0 to 318,807 ⁽³⁾	N.A.
Chia Kim Huat	33,100	0.001	0	0	33,100	0.001	N.A.	N.A.	N.A.
Goh Soon Keat Kevin	989,953	0.019	0	0	989,953	0.019	0 to 610,378 ⁽³⁾ 379,714 ⁽⁴⁾	0 to 1,487,778 ⁽³⁾	62,588 ^{(4),(5)}
Beh Siew Kim	248,929	0.005	0	0	248,929	0.005	0 to 102,280 ⁽³⁾	0 to 531,348 ⁽³⁾	N.A.

Notes:

- (1) The percentage is based on 5,121,814,771 issued shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) This refers to the number of CLI Shares which are the subject of contingent awards granted but not released under CLI’s Performance Share Plan (“**PSP**”) and Restricted Share Plan (“**RSP**”). The final number of CLI Shares that will be released could range from 0% to a maximum of 200% of the baseline award under the PSP and from 0% to a maximum of 150% of the baseline award under the RSP. In respect of the one-time Special Founders Performance Share Award (“**Special PSP Award**”), the final number of CLI Shares that will be released could range from 0% to a maximum of 300% of the baseline award.
- (3) The final number of CLI Shares to be released will depend on the achievement of the pre-determined targets at the end of the respective performance periods for the PSP or Special PSP Award.
- (4) Being the unvested CLI Shares under the PSP or RSP.
- (5) On the final vesting, an additional number of shares of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RSP, will also be released.

Based on the information available to the Managers, the interests of the Substantial Stapled Securityholders in Stapled Securities as at the Latest Practicable Date are as follows:

Name of Substantial Stapled Securityholders ⁽¹⁾	Direct Interest		Deemed Interest		Total No. of Stapled Securities Held	% ⁽²⁾
	No. of Stapled Securities	% ⁽²⁾	No. of Stapled Securities	% ⁽²⁾		
Temasek Holdings (Private) Limited ^{(3),(5),(6)} ("Temasek")	0	0	1,191,072,712	34.39	1,191,072,712	34.39
Tembusu Capital Pte. Ltd. ^{(4),(5),(6)} ("Tembusu")	0	0	1,187,280,890	34.28	1,187,280,890	34.28
Bartley Investments Pte. Ltd. ^{(5),(6)} ("Bartley")	0	0	1,171,419,772	33.82	1,171,419,772	33.82
Mawson Peak Holdings Pte. Ltd. ^{(5),(6)} ("Mawson")	0	0	1,171,419,772	33.82	1,171,419,772	33.82
Glenville Investments Pte. Ltd. ^{(5),(6)} ("Glenville")	0	0	1,171,419,772	33.82	1,171,419,772	33.82
TJ Holdings (III) Pte. Ltd. ^{(5),(6)} ("TJHIII")	0	0	1,171,419,772	33.82	1,171,419,772	33.82
CLA Real Estate Holdings Pte. Ltd. ^{(5),(6)} ("CLA")	0	0	1,171,419,772	33.82	1,171,419,772	33.82
CapitaLand Group Pte. Ltd. ^{(5),(6)} ("CLG")	153,542,083	4.43	1,017,877,689	29.39	1,171,419,772	33.82
CapitaLand Investment Limited ⁽⁷⁾ ("CLI")	0	0	1,017,877,689	29.39	1,017,877,689	29.39
The Ascott Limited ⁽⁸⁾	184,170,058	5.32	568,792,760	16.42	752,962,818	21.74
Somerset Capital Pte Ltd ("SCPL")	568,792,760	16.42	0	0	568,792,760	16.42
CapitaLand Ascott Trust Management Limited ("CLASML")	254,710,484	7.36	0	0	254,710,484	7.36

Notes:

- (1) "Substantial Stapled Securityholder" means a person with an interest in Stapled Securities constituting not less than 5.0% of the total number of Stapled Securities in issue.
- (2) The percentage is based on 3,463,242,395 Stapled Securities in issue as at the Latest Practicable Date.
- (3) Temasek is deemed to have an interest in the Stapled Securityholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001 (the "SFA").
- (4) Tembusu is deemed to have an interest in the Stapled Securityholdings in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.
- (5) Temasek holds 100% of the equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJHIII, which holds 100% of the equity interest in CLA, which holds 100% equity interest in CLG. CLI is a subsidiary of CLG.
- (6) Each of Temasek, Tembusu, Bartley, Mawson, Glenville and TJHIII is deemed to have an interest in the Stapled Securityholdings in which CLA is deemed to have an interest pursuant to Section 4 of the SFA. Each of CLA and CLG is deemed to have an interest in the Stapled Securityholdings that CLI is deemed to have an interest pursuant to Section 4 of the SFA.
- (7) CLI is deemed to have an interest in the Stapled Securityholdings of its wholly owned subsidiaries namely, The Ascott Limited, SCPL (through The Ascott Limited), CLASML, CapitaLand Ascott Business Trust Management Pte. Ltd. and Carmel Plus Pte. Ltd..
- (8) The Ascott Limited is deemed to have an interest in the Stapled Securityholdings of its wholly owned subsidiary, SCPL.

Save as disclosed in this Announcement and based on the information available to the Managers as at the Latest Practicable Date, none of the Directors or the Stapled Securityholders has an interest, direct or indirect, in the Proposed Acquisitions.

7.5 Directors' Service Contracts

No person is proposed to be appointed as a director of the Managers in connection with the Proposed Acquisitions or any other transactions contemplated in relation to the Proposed Acquisitions.

It should be noted that separate from the Proposed Acquisitions, directors of the Managers may be appointed or replaced in line with the normal board renewal process.

7.6 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers²⁰ at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 from the date of this Announcement up to and including the date falling three months after the date of this Announcement:

- (i) the MOU; and
- (ii) the independent valuation certificates on the Properties referred to in paragraph 4.1 above.

The Trust Deeds will also be available for inspection at the registered office of the Managers for so long as CLAS is in existence.

BY ORDER OF THE BOARD

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED

(Company Registration No. 200516209Z)

As manager of CapitalLand Ascott Real Estate Investment Trust

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

(Company Registration No. 201925299R)

As trustee-manager of CapitalLand Ascott Business Trust

Karen Chan
Company Secretary
2 August 2023

²⁰ Prior appointment with the Managers is required. Please contact Ms Denise Wong, Investor Relations (telephone: +65 6713 2888).

Important Notice

The past performance of Capitaland Ascott Trust (“**CLAS**”) is not indicative of future performance. The listing of the stapled securities in CLAS (the “**Stapled Securities**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) does not guarantee a liquid market for the Stapled Securities. The value of the 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 Real Estate Investment Trust or Capitaland Ascott Business Trust Management Pte. Ltd. as trustee-manager of Capitaland Ascott Business Trust (collectively, the “**Managers**”) or any of their respective affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.