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

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(1) THE PROPOSED ACQUISITIONS OF (A) A 100.0% INTEREST IN THE CAVENDISH LONDON, (B) TEMPLE BAR HOTEL, AND (C) A 100.0% INTEREST IN ASCOTT KUNINGAN JAKARTA, AND ENTRY INTO MANAGEMENT AGREEMENTS, AS INTERESTED PERSON TRANSACTIONS AND (2) THE PROPOSED RENEWAL OF THREE FRENCH MASTER LEASE AGREEMENTS FOR EACH OF (A) LA CLEF LOUVRE PARIS, (B) CITADINES PRESQU'ÎLE LYON AND (C) CITADINES PLACE D'ITALIE PARIS, AS INTERESTED PERSON TRANSACTIONS

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*For illustrative purposes, certain GBP, EUR, USD and IDR amounts in this announcement (the "**Announcement**") have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rates of GBP1.00 = S$1.73159, EUR1.00 = S$1.48176, USD1.00 = S$1.31889 and IDR1.00 = 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**")), as the managers (the "**Managers**") of CapitaLand Ascott Trust ("**CLAS**") refer to the announcement of CLAS dated 2 August 2023 regarding the Managers' entry into a memorandum of understanding with The Ascott Limited in relation to the

Proposed Acquisitions (as defined herein) and are pleased to announce that, on 9 October 2023[1], purchase agreements have been entered into regarding the 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**", and the acquisition, the "**Cavendish Share Acquisition**");

(ii) Temple Bar Hotel, a hotel located at 13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51, Ireland ("**Temple Bar Hotel**" or "**Temple Bar Target Property**", and the acquisition, the "**Temple Bar Property Acquisition**"); and

(iii) 100.0% of the shares in each of the Kuningan TargetCos (each 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**", and together with The Cavendish London and Temple Bar Hotel, the "**Properties**", and the acquisition, the "**Kuningan Share Acquisition**", and together with the Cavendish Share Acquisition and the Temple Bar Property Acquisition, the "**Proposed Acquisitions**").

Upon completion of the Proposed Acquisitions, the property holding companies which hold the Properties will enter into separate Management Agreements (as defined herein) with certain wholly owned subsidiaries of The Ascott Limited, who will, pursuant to the respective Management Agreements, provide management services in respect of the Properties during the term of the respective Management Agreements.

The Managers are also pleased to announce that they are proposing the renewal of three French master lease agreements (each, a "**Renewed French Master Lease Agreement**", and collectively, the "**Renewed French Master Lease Agreements**", and the proposed renewals, the "**Proposed French Master Lease Renewals**") for each of (a) La Clef Louvre Paris, (b) Citadines Presqu'île Lyon and (c) Citadines Place d'Italie Paris, which are each a serviced residence property in France.

The existing French master lease agreements are due for renewal on 31 December 2023, and each of them has been entered into with Citadines SA (an indirect wholly owned subsidiary of The Ascott Limited) as master lessee.

Each of the Renewed French Master Lease Agreements shall be for a period of 12 years commencing 1 January 2024.

A circular dated 9 October 2023 (the "**Circular**") has been issued to the holders of the stapled securities in CLAS ("**Stapled Securityholders**", and the stapled securities in CLAS, "**Stapled Securities**") today, together with a notice of extraordinary general meeting to be convened and held on 24 October 2023 at 3.00 p.m. (the "**EGM**"), for the purpose of seeking the approval of Stapled Securityholders for the Proposed Acquisitions, the proposed entry into the Management Agreements and the Proposed French Master Lease Renewals.

Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the Circular.

1 For the avoidance of doubt, this is with reference to Singapore time.

2. INFORMATION ON THE PROPERTIES

The information on the Properties are set out in the table below.

	The Cavendish London		Temple Bar Hotel		Ascott Kuningan Jakarta		Total
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		-
Operator	Ascott Hospitality Management (UK) Limited		Ascott Hospitality Management (UK) Limited (or another wholly owned subsidiary of The Ascott Limited)		PT Ascott International Management 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[1]		Management contract with minimum guaranteed income[1]		Management contract		-
Title	Leasehold estate expiring on 11 November 2158 (approximately 135 years remaining)		Freehold		Strata titles on land with leasehold estates expiring on 19 May 2027 (approximately four years remaining) and extendable[2]		-
Valuer	SG&R Valuation Services Company LLC (HVS London) ("**HVS London**")	Cushman & Wakefield Debenham Tie Leung Limited	HVS London	Cushman & Wakefield Ireland	SG&R Singapore Pte Ltd ("**HVS Singapore**")	Cushman & Wakefield VHS Pte. Ltd.	-
Valuer commissioned by	Manager	DBS Trustee Limited, as trustee of CapitaLand Ascott REIT (the "**Trustee**")	Trustee-Manager	Trustee-Manager	Manager	Trustee	-
Date of Valuation	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	-
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	-
Valuation[3]	GBP215.0 million (approximately S$372.3 million)	GBP215.5 million (approximately S$373.2 million)	EUR78.2 million (approximately S$115.9 million)	EUR71.9 million (approximately S$106.5 million)	IDR642.4 billion (approximately S$56.8 million)	IDR636.0 billion (approximately S$56.2 million)	-
Agreed Property Value (as defined herein)	GBP215.0 million (approximately S$372.3 million)		EUR70.0 million (approximately S$103.7 million)		IDR620.0 billion (approximately S$54.8 million)		Approximately S$530.8 million
Purchase consideration	GBP116.3 million (approximately S$201.3 million)[4] (the "**Cavendish Share Purchase Consideration**")		EUR70.0 million (approximately S$103.7 million)[5] (the "**Temple Bar Property Purchase Consideration**")		USD40.0 million[6] (approximately S$52.8 million)[4] (the "**Kuningan Share Purchase Consideration**")		Approximately S$357.8 million (the "**Purchase Consideration**")

Notes:

(1) See paragraphs 3.5.1 and 3.5.2 below for further details on the minimum guaranteed income.

(2) The serviced residence units (consisting of strata titles) are situated on land with Hak Guna Bangunan title(s) (right to build) ("**HGB**") expiring on 19 May 2027.

(3) Valuation as of 30 June 2023. For the avoidance of doubt, the valuations on The Cavendish London are based on the assumption that the proposed renovation works will be carried out but have not been undertaken. The valuation of The Cavendish London as of 30 June 2023 refers to the 10 year cashflows from 30 June 2023 (i.e. before the renovation), and will include capital outlay for the renovations, lower cashflows during the renovations, and higher cashflows after the renovation. The valuation of The Cavendish London after the renovation works have been undertaken and on a stabilised basis is set out in paragraph 5.3 below and is GBP316.0 million (approximately S$547.2 million). In the case of Ascott Kuningan Jakarta, the valuations are on the basis that the HGB will be extended as extensions are routine for such titles.

(4) The purchase consideration for The Cavendish London and Ascott Kuningan Jakarta is based on (i) the consolidated net asset value ("**NAV**") of such TargetCos (which takes into account the Agreed Property Values) and (ii) the assignment of shareholder's loans, and is subject to post completion adjustments. Post completion adjustments in respect of the purchase consideration for The Cavendish London and Ascott Kuningan Jakarta mainly comprise the difference in the consolidated NAV of the relevant TargetCos from 31 May 2023 (being the agreed initial balance sheet date) to the completion date of the Proposed Acquisitions. See paragraphs 3.1.1 and 3.1.3 below for details of the shareholder's loans.

(5) This is subject to the value of stock as at completion of the Temple Bar Property Acquisition and the apportionment of expenses and revenue between the Temple Bar Purchaser and the Temple Bar Vendor. See paragraph 3.1.2 below for further details.

(6) USD is used as this is the reporting currency of the Kuningan TargetCos.

3. PRINCIPAL TERMS OF THE PURCHASE AGREEMENTS AND THE MANAGEMENT AGREEMENTS

3.1 Structure of the Proposed Acquisitions

3.1.1 Cavendish SPA

On 9 October 2023, CapitaLand Ascott REIT, through its direct wholly owned subsidiary, Ascott REIT (Europe) Pte. Ltd. (the "**Cavendish Purchaser**"), entered 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[1].

(See paragraph 9.1 below for further information on the relationship between CapitaLand Ascott REIT and the Cavendish Vendor.)

The Cavendish Share Purchase Consideration being GBP116.3 million (approximately S$201.3 million) is based on:

(i) in respect of the share consideration, the consolidated NAV of the Cavendish TargetCo of GBP62.2 million (approximately S$107.6 million) as at 31 May 2023, which takes into account the agreed property value ("**Agreed Property Value**") of The Cavendish London of GBP215.0 million (approximately S$372.3 million); and

(ii) in respect of the loan consideration, the assignment to the Cavendish Purchaser of the shareholder's loans extended by The Ascott (Europe) Pte. Ltd. (which is a direct wholly owned subsidiary of The Ascott Limited) to the Cavendish TargetCo, of GBP54.1 million (approximately S$93.7 million) as at 31 May 2023.

The Agreed Property Value of The Cavendish London was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of The Cavendish London.

In respect of The Cavendish London, part of the payment of the Cavendish Share Purchase Consideration (the "**Cavendish Milestone Payment**"), amounting to GBP37.0 million (approximately S$64.1 million) will be made post completion of the Cavendish Share Acquisition, when 70% of the renovation of The Cavendish London to be undertaken pursuant to the terms of the Cavendish Management Agreement (as defined herein) is completed. The Managers currently expect the costs of renovation to be partially funded by cash generated from operations and debt. The Managers may fund this using other sources of funding if there are such other sources of funding available at such points of time in the future.

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1 The property holding company which directly holds The Cavendish London is The Cavendish Hotel (London) Limited (the "**Cavendish PropCo**"), which is a direct wholly owned subsidiary of the Cavendish TargetCo.

The Cavendish Share Purchase Consideration less the Cavendish Milestone Payment will be paid on completion of the Cavendish Share Acquisition. The Cavendish Share Purchase Consideration (including the Cavendish Milestone Payment) shall be fully satisfied in cash.

The final Cavendish Share Purchase Consideration will be subject to completion adjustments.

3.1.2 Temple Bar Purchase Agreement

On 9 October 2023, CapitaLand Ascott BT, through its indirect wholly owned subsidiary, TUC T Bar Hotel (Dublin) Limited[1] (the "**Temple Bar Purchaser**"), entered into a conditional purchase agreement (the "**Temple Bar Purchase Agreement**") with Citadines Temple Bar Limited (the "**Temple Bar Vendor**") to acquire the Temple Bar Target Property.

(See paragraph 9.1 below for further information on the relationship between CapitaLand Ascott BT and the Temple Bar Vendor.)

The Temple Bar Property Purchase Consideration (equal to the Agreed Property Value for Temple Bar Hotel) is EUR70.0 million (approximately S$103.7 million) and was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of Temple Bar Hotel. This would be allocated between the sale of the Property and the transfer of the business, and is subject to the value of stock as at completion of the Temple Bar Property Acquisition and the apportionment of expenses and revenue between the Temple Bar Purchaser and the Temple Bar Vendor such that expenses or revenue accrued for the period up to the completion date shall be borne by or belong to the Temple Bar Vendor and the expenses or revenue accrued for the period after the completion date shall be borne by or belong to the Temple Bar Purchaser.

In respect of Temple Bar Hotel, part of the payment of the Temple Bar Property Purchase Consideration ("**Temple Bar Milestone Payment**", and together with the Cavendish Milestone Payment, the "**Milestone Payments**"), amounting to EUR20.6 million (approximately S$30.5 million) will be made post completion of the Temple Bar Property Acquisition, when 70% of the renovation of Temple Bar Hotel to be undertaken pursuant to the terms of the Temple Bar Management Agreement (as defined herein) is completed. The Managers currently expect the costs of renovation to be funded by cash generated from operations or debt. The Managers may fund this using other sources of funding if there are such other sources of funding available at such points of time in the future.

The Temple Bar Property Purchase Consideration less the Temple Bar Milestone Payment will be paid on completion of the Temple Bar Property Acquisition. The Temple Bar Property Purchase Consideration (including the Temple Bar Milestone Payment) shall be fully satisfied in cash.

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1 TUC T Bar Hotel (Dublin) Limited is a wholly owned subsidiary of Dublin TUC T Bar Hotel Pte. Ltd., which is in turn a wholly owned subsidiary of CapitaLand Ascott BT.

3.1.3 Kuningan SPA

On 9 October 2023, the Trustee (the "**Kuningan Purchaser**") entered into a conditional share purchase agreement (the "**Kuningan SPA**", and together with the Cavendish SPA and the Temple Bar Purchase Agreement, the "**Purchase Agreements**") 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[1].

(See paragraph 9.1 below for further information on the relationship between CapitaLand Ascott REIT and the Kuningan Vendor.)

The Kuningan Share Purchase Consideration being USD40.0 million [2] (approximately S$52.8 million) is based on:

(i) in respect of the share consideration, the consolidated NAV of the Kuningan TargetCos of USD1.6 million[2] (approximately S$2.1 million) as at 31 May 2023 which takes into account the Agreed Property Value of the Ascott Kuningan Jakarta of IDR620.0 billion (approximately S$54.8 million); and

(ii) in respect of the loan consideration, the assignment to the Trustee of the shareholder's loans extended by The Ascott Capital Pte Ltd (which is an indirect wholly owned subsidiary of The Ascott Limited) to the Kuningan TargetCos, of approximately S$50.7 million as at 31 May 2023.

The Agreed Property Value of Ascott Kuningan Jakarta was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of Ascott Kuningan Jakarta.

The Kuningan Share Purchase Consideration will be paid on completion of the Kuningan Share Acquisition and shall be fully satisfied in cash.

The final Kuningan Share Purchase Consideration will be subject to completion adjustments.

3.2 Certain Terms and Conditions of the Cavendish SPA

The principal terms of the Cavendish SPA include, among others, the following:

3.2.1 The conditions precedent for completion of the Cavendish Share Acquisition shall include, among others, the following:

(i) completion of each of the Proposed Acquisitions will be inter-conditional upon the other Proposed Acquisitions;

(ii) completion will be subject to the approval of the Stapled Securityholders at an extraordinary general meeting to be convened;

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1 The property holding company which directly holds Ascott Kuningan Jakarta is PT Menara Aspen Persada (the "**Kuningan PropCo**").

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

(iii) The Cavendish London is not subject to any order or notice for compulsory acquisition; and

(iv) approval of authorities, if required, in connection with the Cavendish Share Acquisition.

3.2.2 The Cavendish Milestone Payment of GBP37.0 million (approximately S$64.1 million)[1] will be made post completion of the Cavendish Share Acquisition, when 70% of the renovation of The Cavendish London to be undertaken pursuant to the terms of the Cavendish Management Agreement is completed.

3.2.3 Upon the completion of the Cavendish Share Acquisition, the Cavendish Management Agreement will be entered into.

3.2.4 Upon the completion of the Cavendish Share Acquisition, the Cavendish Guarantee (as defined herein) will be entered into. This is a guarantee which is to be provided by the Trustee upon completion of the Cavendish Share Acquisition in favour of Oversea-Chinese Banking Corporation Limited in relation to and for the amounts due and payable under the facility agreement dated 31 August 2023 between Oversea-Chinese Banking Corporation Limited as lender and the Cavendish PropCo as borrower for a GBP133.2 million (approximately S$230.7 million) facility (the facility agreement, the "**Cavendish Facility Agreement**", and the guarantee, the "**Cavendish Guarantee**").

3.2.5 The Ascott Limited shall enter into a deed of guarantee to guarantee to, and covenant with, the Cavendish Purchaser to pay it such sums that the Cavendish Vendor has failed to pay in accordance with the terms of the Cavendish SPA for any breach of the Cavendish Vendor's covenants and obligations under the Cavendish SPA.

3.3 Certain Terms and Conditions of the Temple Bar Purchase Agreement

The principal terms of the Temple Bar Purchase Agreement include, among others, the following:

3.3.1 The conditions precedent for completion of the Temple Bar Property Acquisition shall include, among others, the following:

(i) completion of each of the Proposed Acquisitions will be inter-conditional upon the other Proposed Acquisitions;

(ii) completion will be subject to the approval of the Stapled Securityholders at an extraordinary general meeting to be convened;

(iii) Temple Bar Hotel is not subject to any order or notice for compulsory acquisition; and

(iv) approval of authorities, if required, in connection with the Temple Bar Property Acquisition.

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1 The Cavendish Milestone Payment represents approximately 17.9% of the total Purchase Consideration of S$357.8 million. The Cavendish Milestone Payment represents approximately 31.8% of the Cavendish Share Purchase Consideration of GBP116.3 million.

3.3.2 The Temple Bar Milestone Payment of EUR20.6 million (approximately S$30.5 million)[1] will be made post completion of the Temple Bar Property Acquisition, when 70% of the renovation of Temple Bar Hotel to be undertaken pursuant to the terms of the Temple Bar Management Agreement is completed.

3.3.3 Upon the completion of the Temple Bar Property Acquisition, the Temple Bar Management Agreement will be entered into.

3.3.4 Assignment of the relevant licences for the on-going businesses.

3.3.5 The Temple Bar Vendor shall assist the Temple Bar Purchaser in connection with a transfer of employees at the Temple Bar Hotel from the current hotel operator, which is an unrelated third party, to the Temple Bar Purchaser.

3.3.6 The Ascott Limited shall enter into a deed of guarantee to guarantee to, and covenant with, the Temple Bar Purchaser to pay it such sums that the Temple Bar Vendor has failed to pay in accordance with the terms of the Temple Bar Purchase Agreement for any breach of the Temple Bar Vendor's covenants and obligations under the Temple Bar Purchase Agreement.

3.4 Certain Terms and Conditions of the Kuningan SPA

The principal terms of the Kuningan SPA include, among others, the following:

3.4.1 The conditions precedent for completion of the Kuningan Share Acquisition shall include, among others, the following:

(i) completion of each of the Proposed Acquisitions will be inter-conditional upon the other Proposed Acquisitions;

(ii) completion will be subject to the approval of the Stapled Securityholders at an extraordinary general meeting to be convened;

(iii) Ascott Kuningan Jakarta is not subject to any order or notice for compulsory acquisition; and

(iv) approval of authorities, if required, in connection with the Kuningan Share Acquisition.

3.4.2 Upon the completion of the Kuningan Share Acquisition, the Kuningan Management Agreement will be entered into.

3.4.3 The Ascott Limited shall enter into a deed of guarantee to guarantee to, and covenant with, the Kuningan Purchaser to pay it such sums that the Kuningan Vendor has failed to pay in accordance with the terms of the Kuningan SPA for any breach of the Kuningan Vendor's covenants and obligations under the Kuningan SPA.

3.4.4 The Kuningan Vendor indemnifies the Kuningan Purchaser for all losses, costs and damages up to a maximum sum equivalent to the Kuningan Share Purchase

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1 The Temple Bar Milestone Payment represents approximately 8.5% of the total Purchase Consideration of S$357.8 million. The Temple Bar Milestone Payment represents approximately 29.4% of the Temple Bar Property Purchase Consideration of EUR70.0 million.

Consideration that the Kuningan Purchaser may pay, suffer, incur or be liable for, in respect of or in connection with or arising from any non-compliance or default in connection with the use of Ascott Kuningan Jakarta by the Kuningan Vendor prior to completion of the Kuningan Share Acquisition that directly results in the non-renewal or non-extension of the HGB for Ascott Kuningan Jakarta on expiry on 19 May 2027.

3.5 The Management Agreements

3.5.1 The Cavendish Management Agreement

Upon completion of the Cavendish Share Acquisition, The Cavendish London will be managed and operated by the Ascott Hospitality Management (UK) Limited (the "**Cavendish Operator**"), an indirect wholly owned subsidiary of The Ascott Limited. The Cavendish PropCo will enter into a hotel management agreement with the Cavendish Operator in relation to The Cavendish London (the "**Cavendish Management Agreement**"), pursuant to which the Cavendish Operator will be engaged as the operator of The Cavendish London to provide management services, including 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 (the "**Services**") in respect of The Cavendish London during the term of the agreement.

The Cavendish Management Agreement is for an initial term of 30 years from the day of the completion of the Cavendish Share Acquisition (the "**Cavendish Initial Term**") and the Cavendish Operator will be paid the following:

(i) a base management fee of 2.5% of the total revenue of The Cavendish London and an incentive management fee of between 7.0% to 9.0% of the gross operating profit of The Cavendish London (with the actual percentage payment depending on the gross operating profit margin generated by The Cavendish London); and

(ii) various fees comprising, *inter alia*, the fees for providing the Ascott BITS[1], the global marketing services and trade mark, the global reservation services, the Ascott Loyalty Programme[2] and other shared services (including centralised cluster services)[3].

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1 The "**Ascott BITS**" refers to the computer modular programmes (available as at the date of the Management Agreements) which are owned by, or licensed to, and developed by or for the Cavendish Operator, the Temple Bar Operator and the Kuningan Operator (as the case may be), and used in connection with the management and operation of each of the Properties.

2 The "**Ascott Loyalty Programme**" refers to the loyalty programme managed by The Ascott Limited globally pursuant to which members earn loyalty points on qualifying amounts through stays at participating properties and redeem loyalty points.

3 The Ascott BITS fees amount to EUR35 (approximately S$51.90) per unit per month, the global marketing fee amounts to 0.5% of the total revenue, the trade mark fee amounts to 0.5% of the total revenue, the global reservation services fees and the Ascott Loyalty Programme fees are at prevailing rates per reservation while the centralised cluster services fees are to be charged out at a reasonable proportion of cost. There is also a commercial space management fee which amounts to 3.0% of all rents, license fees and other income receivable from the commercial space, and whenever new leases are entered into or renewed, up to 7.5% of the annual rent is payable.

The terms of the Cavendish Management Agreement include the following:

(A) the renovation of The Cavendish London will be carried out from the fourth quarter of 2024 to the fourth quarter of 2025;

(B) the Cavendish Operator will contribute 50%[1] of the costs of the renovation and rebranding of The Cavendish London (with the total costs of the renovation and rebranding estimated to be GBP55.0 million (approximately S$95.2 million)). In the event of termination by the Cavendish PropCo (without cause in breach of contract) or by the Cavendish Operator due to a material breach of contract by the Cavendish PropCo, the Cavendish PropCo will return a percentage of the costs contributed by the Cavendish Operator based on the remaining duration of the Cavendish Initial Term[2];

(C) the Cavendish Operator will undertake to pay an amount representing the shortfall (if any) between the actual adjusted gross operating profit and the minimum guaranteed income ("**MGI**", and the amount representing the shortfall which the Cavendish Operator will undertake to pay, the "**Cavendish Top-Up Payment**"). Prior to the commencement of the renovation works (the "**Works**"), the MGI would be GBP10.8 million (approximately S$18.7 million) per year for The Cavendish London. 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 Cavendish London. The MGI for The Cavendish London will be increased to GBP17.5 million (approximately S$30.3 million) after the completion of the Works for a period of five years. The MGI will be reset in the sixth year after the completion of the Works to 65%[3] of the budgeted adjusted gross operating profit[4] and thereafter indexed for inflation;

(D) after completion of the Works, where the Cavendish Operator is able to achieve an adjusted gross operating profit for The Cavendish London above certain performance thresholds[5], the Cavendish Operator is entitled to claw back from the Cavendish Top-Up Payment such amount of the adjusted gross operating profit that is in excess of the performance thresholds (the "**Cavendish MGI Clawback**") (see paragraph 3.5.1(E) below for details of the mechanism). The total Cavendish MGI Clawback cannot exceed the amount of the Cavendish Top-Up Payment;

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1 For the avoidance of doubt, the remaining balance 50% will be borne by CLAS.

3 The percentage of costs contributed to be paid back to the Cavendish Operator is as follows: (i) Year 1 to 15 of the Cavendish Initial Term, 100%; (ii) Year 16 of the Cavendish Initial Term, 70%; (iii) Year 17 of the Cavendish Initial Term, 60%; (iv) Year 18 of the Cavendish Initial Term, 50%; (v) Year 19 of the Cavendish Initial Term, 40%; (vi) Year 20 of the Cavendish Initial Term, 30%; and (vii) Year 21 of the Cavendish Initial Term onwards, 0%.

3 As stated in paragraph 3.8 of the IFA Letter, this is in line with market.

4 To determine the budgeted adjusted gross operating profit, per the terms of the Cavendish Management Agreement, the Cavendish Operator will submit its proposed annual business plan for approval by the Cavendish PropCo. The annual business plan includes a review of and comparison with the previous year's plans and actual/forecast performance and an overview of market conditions. The Cavendish Operator will also compare performance of the property against competitive properties in the same area.

5 The performance threshold is set at GBP17.5 million (approximately S$30.3 million) from the first year to the fifth year after the completion of the Works, and 130% of the prevailing MGI from the sixth year after the completion of the Works.

(E) (1) in any year during the period of five years after the completion of the Works, the adjusted gross operating profit after the deduction of GBP17.5 million (approximately S$30.3 million), the Cavendish MGI Clawback, the incentive management fees, insurances and owner costs, will be shared equally by the Cavendish Operator and the Cavendish PropCo, and (2) in any year from the sixth year to the tenth year of operations after the completion of the Works, the adjusted gross operating profit after the deduction of the prevailing MGI, the Cavendish MGI Clawback, the incentive management fees, insurances and owner costs, will be shared equally by the Cavendish Operator and the Cavendish PropCo. The total amount that the Cavendish Operator is entitled to (if any) for the full ten years after the completion of the Works is capped at GBP10.0 million (approximately S$17.3 million). Such a profit-sharing arrangement would incentivise the Cavendish Operator to achieve a higher level of adjusted gross operating profit[1]; and

(F) in the event that the Cavendish Management Agreement is terminated by the Cavendish Operator by reason of any material breach of contract by the Cavendish PropCo, or the Cavendish Management Agreement is terminated by the Cavendish PropCo without cause, the Cavendish PropCo shall compensate the Cavendish Operator an amount based on the management fees payable during the number of days remaining in the Cavendish Initial Term from the date of termination, subject to a cap in the number of days if the termination occurs after Year 10 of the Cavendish Initial Term, as follows:

(1) if the termination occurs during Year 11 to Year 20 of the Cavendish Initial Term, the maximum number of days shall be 4,380 days (12 years); and

(2) if the termination occurs during Year 21 to Year 30 of the Cavendish Initial Term, the maximum number of days shall be 1,825 days (five years).

3.5.2 The Temple Bar Management Agreement

Upon completion of the Temple Bar Property Acquisition, Temple Bar Hotel will be managed and operated by Ascott Hospitality Management (UK) Limited, an indirect wholly owned subsidiary of The Ascott Limited (or another wholly owned subsidiary of The Ascott Limited) (the "**Temple Bar Operator**"). The Temple Bar Purchaser will enter into a hotel management agreement with the Temple Bar Operator in relation to Temple Bar Hotel (the "**Temple Bar Management Agreement**"), pursuant to which the Temple Bar Operator will be engaged as the operator of Temple Bar Hotel to provide the Services in respect of Temple Bar Hotel during the term of the agreement.

The Temple Bar Management Agreement is for an initial term of 10 years from the

1 If the Cavendish MGI Clawback is payable in a particular year, the Cavendish MGI Clawback will be paid once for that year.

day of the completion of the Temple Bar Property Acquisition (the "**Temple Bar Initial Term**") and the Temple Bar Operator will be paid the following:

(i) a base management fee of 2.5% of the total revenue of Temple Bar Hotel and an incentive management fee of between 7.0% to 9.0% of the gross operating profit of Temple Bar Hotel (with the actual percentage payment depending on the gross operating profit margin generated by Temple Bar Hotel); and

(ii) various fees comprising, *inter alia*, the fees for providing the Ascott BITS, the global marketing services and trade mark, the global reservation services, the Ascott Loyalty Programme and other shared services (including centralised cluster services)[1].

The terms of the Temple Bar Management Agreement include the following:

(A) the renovation of Temple Bar Hotel will be carried out from the first quarter of 2024 to the fourth quarter of 2024;

(B) the Temple Bar Operator will contribute EUR0.1 million (approximately S$0.2 million) towards the costs of the rebranding of Temple Bar Hotel[2]. In the event of termination by the Temple Bar Purchaser (without cause in breach of contract) or by the Temple Bar Operator due to a material breach of contract by the Temple Bar Purchaser, the Temple Bar Purchaser will return a percentage of the costs contributed by the Temple Bar Operator based on the remaining duration of the Temple Bar Initial Term[3];

(C) the Temple Bar Operator will also undertake to pay an amount representing the shortfall (if any) between the actual adjusted gross operating profit and the MGI (the "**Temple Bar Top-Up Payment**"). Prior to the commencement of the Works, the MGI would be EUR4.2 million (approximately S$6.2 million) per year and thereafter indexed for inflation. 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 Temple Bar Hotel;

(D) where the Temple Bar Operator is able to achieve an adjusted gross operating profit for Temple Bar Hotel above certain performance thresholds[4], the Temple Bar Operator is entitled to claw back from the Temple Bar Top-Up Payment such amount of the adjusted gross operating profit that is in excess of the performance thresholds (the "**Temple Bar MGI**

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1 The Ascott BITS fees amount to EUR35 (approximately S$51.90) per unit per month, the global marketing fee amounts to 0.5% of the total revenue, the trade mark fee amounts to 0.5% of the total revenue, the global reservation services fees and the Ascott Loyalty Programme fees are at prevailing rates per reservation while the centralised cluster services fees are to be charged out at a reasonable proportion of cost.

2 The total renovation and rebranding cost of Temple Bar Hotel is EUR3.1 million (approximately S$4.6 million), including the rebranding costs of EUR0.1 million (approximately S$0.2 million). The renovation costs of EUR3.0 million (approximately S$4.4 million) will be borne by CLAS. The renovation cost was taken into account in the valuation of Temple Bar Hotel.

3 The percentage of costs contributed to be paid back to the Temple Bar Operator is as follows: (i) Year 1 to 5 of the Temple Bar Initial Term, 100%; (ii) Year 6 of the Temple Bar Initial Term, 70%; (iii) Year 7 of the Temple Bar Initial Term, 50%; (iv) Year 8 of the Temple Bar Initial Term, 30%; and (v) Year 9 of the Temple Bar Initial Term onwards, 0%.

4 The performance threshold is set at 130% of the prevailing MGI.

Clawback"). The total Temple Bar MGI Clawback cannot exceed the amount of the Temple Bar Top-Up Payment; and

(E) in the event that the Temple Bar Management Agreement is terminated by the Temple Bar Operator by reason of any material breach of contract by the Temple Bar Purchaser, or the Temple Bar Management Agreement is terminated by the Temple Bar Purchaser without cause, the Temple Bar Purchaser shall compensate the Temple Bar Operator an amount based on the management fees payable during the number of days remaining in the Temple Bar Initial Term from the date of termination, subject to a cap of 1,825 days (five years).

3.5.3 The Kuningan Management Agreement

Upon completion of the Kuningan Share Acquisition, Ascott Kuningan Jakarta will be managed and operated by PT Ascott International Management Indonesia (the "**Kuningan Operator**"), an indirect wholly owned subsidiary of The Ascott Limited. The Kuningan PropCo will enter into a serviced residence management agreement with the Kuningan Operator in relation to Ascott Kuningan Jakarta (the "**Kuningan Management Agreement**", and together with the Cavendish Management Agreement and the Temple Bar Management Agreement, the "**Management Agreements**"), pursuant to which the Kuningan Operator will be engaged as the operator of Ascott Kuningan Jakarta to provide the Services in respect of Ascott Kuningan Jakarta during the term of the agreement.

The Kuningan Management Agreement is for an initial term of 10 years from the day of the completion of the Kuningan Share Acquisition (the "**Kuningan Initial Term**") and the Kuningan Operator will be paid the following:

(i) a base management fee of 2.5% of the total revenue of Ascott Kuningan Jakarta and an incentive management fee of between 5.0% to 8.0% of the gross operating profit of Ascott Kuningan Jakarta (with the actual percentage payment depending on the gross operating profit margin generated by Ascott Kuningan Jakarta); and

(ii) various fees comprising, *inter alia*, the fees for providing the Ascott BITS, the global marketing services and trade mark, the global reservation services, the Ascott Loyalty Programme and other shared services (including centralised cluster services)[1].

In the event that the Kuningan Management Agreement is terminated by the Kuningan Operator by reason of any material breach by the Kuningan PropCo, or the Kuningan Management Agreement is terminated by the Kuningan PropCo without cause, the Kuningan PropCo shall compensate the Kuningan Operator an amount based on the management fees payable during the number of days remaining in the Kuningan Initial Term from the date of termination, subject to a cap

1 The Ascott BITS fees amount to IDR360,000 (approximately S$31.80) per unit per month, the global marketing fee amounts to 0.5% of the total revenue, the trade mark fee amounts to 0.5% of the total revenue, the global reservation services fees and the Ascott Loyalty Programme fees are at prevailing rates per reservation while the centralised cluster services fees are to be charged out at a reasonable proportion of cost.

of 1,825 days (five years). No compensation will be payable if the Kuningan Management Agreement is terminated as a result of non-renewal or non-extension of the HGB.

4. DETAILS OF THE PROPOSED ACQUISITIONS

4.1 Valuation

The Manager has commissioned an independent property valuer, HVS London, and the Trustee has commissioned another independent property valuer, Cushman & Wakefield Debenham Tie Leung Limited, to value The Cavendish London as at 30 June 2023 using the discounted cash flow method. HVS London has valued The Cavendish London at GBP215.0 million (approximately S$372.3 million). Cushman & Wakefield Debenham Tie Leung Limited has valued The Cavendish London at GBP215.5 million (approximately S$373.2 million).

The Trustee-Manager has commissioned two independent property valuers, HVS London and Cushman & Wakefield Ireland, to respectively value Temple Bar Hotel as at 30 June 2023 using the discounted cash flow method. HVS London has valued Temple Bar Hotel at EUR78.2 million (approximately S$115.9 million). Cushman & Wakefield Ireland has valued Temple Bar Hotel at EUR71.9 million (approximately S$106.5 million).

The Manager has commissioned an independent property valuer, HVS Singapore, and the Trustee has commissioned another independent property valuer, Cushman & Wakefield VHS Pte. Ltd., to value Ascott Kuningan Jakarta as at 30 June 2023 using the discounted cash flow method. HVS Singapore has valued Ascott Kuningan Jakarta at IDR642.4 billion (approximately S$56.8 million). Cushman & Wakefield VHS Pte. Ltd. has valued Ascott Kuningan Jakarta at IDR636.0 billion (approximately S$56.2 million).

(See **Appendix B** of the Circular for the valuation summary letter and certificates by the independent valuers for further details.)

4.2 Completion of the Proposed Acquisitions

Completion of the acquisitions of all the Properties is expected to take place by 4Q 2023, subject to the approval of the Stapled Securityholders at the EGM.

4.3 Total Acquisition Outlay

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 payable in Stapled Securities to the Managers pursuant to the Trust Deeds[1] for the Proposed Acquisitions ("**Acquisition Fee**") of approximately

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1 The "**Trust Deeds**" refer collectively to the trust deed constituting CapitaLand Ascott REIT dated 19 January 2006 (as amended from time to time) between the Manager and the Trustee, the trust deed constituting CapitaLand Ascott BT dated 9 September 2019 (as amended from time to time) and the stapling deed constituting CLAS dated 9 September 2019 (as amended from time to time) between the Trustee, the Manager and the Trustee-Manager.

S$5.3 million (being 1.0% of the Enterprise Value[1] of S$530.5 million)[2]; 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 expenses incurred or to be incurred from the issuance of new Stapled Securities ("**New Stapled Securities**") pursuant to the placement and preferential offering in August 2023 (the "**Equity Fund Raising**") and debt financing-related expenses) of approximately S$15.5 million.

4.4 Method of Financing

The Managers intend to finance the Total Acquisition Outlay (excluding the Milestone Payments of approximately S$94.6 million and the Acquisition Fee[2] 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) from the gross proceeds raised from the issuance of New Stapled Securities pursuant to the Equity Fund Raising;

(ii) approximately S$45.1 million from the proceeds raised in the placement in August 2022;

(iii) approximately S$8.2 million from divestment proceeds; and

(iv) approximately EUR35.0 million (approximately S$51.9 million) from debt financing in relation to Temple Bar Hotel.

The Equity Fund Raising was launched on 2 August 2023, and was 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.

The exact method of funding for the Milestone Payments will be determined closer to the time the Milestone Payments are required[3].

CLAS' Aggregate Leverage[4] is expected to decrease from the current approximately 38.6% to approximately 34.8% immediately after the Equity Fund Raising, pending deployment of the net proceeds of the Equity Fund Raising and assuming the net proceeds of the Equity

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1 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.

2 As the Proposed Acquisitions will constitute an "interested party transaction" under Appendix 6 of the Code of Collective Investment Schemes (the "**Property Funds Appendix**") issued by the MAS, the Acquisition Fee shall be in the form of 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.

3 The possible sources of funding are drawdown of debts, cash generated from operations or divestment proceeds.

4 "**Aggregate Leverage**" is defined in the Property Funds Appendix as the ratio of CLAS' borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Stapled Securities) to the value of its deposited property. The Milestone Payments would be considered as a deferred payment for the purposes of computing the Aggregate Leverage.

Fund Raising are fully used to repay debt facilities. For illustrative purposes only, CLAS' Aggregate Leverage will be approximately 38.9% immediately after the Equity Fund Raising, assuming that the Proposed Acquisitions (including the Milestone Payments) are funded immediately after the Equity Fund Raising and the remaining net proceeds of the Equity Fund Raising are used to repay debt facilities.

(See announcement dated 2 August 2023 titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of No Less Than Approximately S$300.0 million*" for further details of the Equity Fund Raising.)

5. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITIONS

The overarching rationale and key benefits of the Proposed Acquisitions are set out below.

5.1 Enhance distribution per Stapled Security ("DPS") to Stapled Securityholders

The earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") yield[1] of the Proposed Acquisitions is 5.1% on a pro forma basis for the financial year ended 31 December 2022 ("**FY 2022**"). Excluding the Milestone Payments which are to be made only when 70% of the renovations of The Cavendish London and Temple Bar Hotel are completed, 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%[2]. 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, Piccadilly Circus, as well as royal parks such as Green Park and Hyde Park. It is situated in Jermyn Street, an established retail and urban leisure street with bespoke gentlemen's clothing stores and shoemakers as well as being next to the British luxury department store, Fortnum and Mason.

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 2019[3]. The EBITDA yield of the pre-renovated The Cavendish London is 4.1% on a FY 2022 pro forma basis[4]. Excluding the Cavendish Milestone Payment, the EBITDA yield is 5.0%.

Dublin is the capital city of Ireland. According to HVS London, it is home to some of the world's largest pharmaceutical companies and it is one of the IT hubs of Europe[5]. Temple

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1 EBITDA yield is based on Agreed Property Value and before asset enhancement initiatives, if any (unless otherwise stated).

2 Please refer to paragraph 8.1.1 below for the assumptions in relation to the pro forma financial effects.

3 Source: Extracted from STR database.

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

5 See Appendix C of the Circular for the market research report.

Bar Hotel is located in the Temple Bar area, which is a key tourist destination and entertainment district 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 strong growth in the decade leading up to the COVID-19 pandemic[1]. From 2009 to 2019, the number of visitors to Dublin grew at a compounded annual growth rate of 4.0%. In 2019, Dublin was one of the best performing European cities in terms of occupancy, behind only London and Amsterdam[2]. In the first half of 2023, Dublin's market RevPAU was 110% of pre-COVID-19 levels[3], and is poised to grow even stronger as international travel resumes[4]. The Property's EBITDA yield is 7.6% on a FY 2022 pro forma basis. Excluding the Temple Bar Milestone Payment, the EBITDA yield is 10.8%.

Ascott Kuningan Jakarta is located in Jakarta, the capital city of Indonesia. The property is situated in an embassy district within The Golden Triangle, the main business, financial and commercial hub of Jakarta. Various important financial buildings are located within this central business district, such as the Indonesian Stock Exchange, Treasury Tower, Equity Tower as well as District 8, an upscale mixed-use development. Ascott Kuningan Jakarta 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.

Jakarta is a historically resilient market for CLAS as its portfolio of serviced residences in Jakarta has a higher proportion of long stays. At the height of COVID-19 in 2020 and 2021, Ascott Kuningan Jakarta maintained healthy occupancies of approximately 70% to 80%. Jakarta's market RevPAU in the first half of 2023 was 111% of pre-COVID-19 levels[5]. 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 70.0% 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

1 See Appendix C of the Circular for the market research report.

2 Source: CBRE (April 2021) – "The Future of Demand for the Dublin Hotel Market".

3 Source: Extracted from STR database.

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

5 Source: Extracted from STR database.

brand managed by The Ascott Limited, will improve the property positioning, as well as the EBITDA yield and value. The scope of the renovation includes (i) the refurbishment and reconfiguration of existing rooms, (ii) the refurbishment of the common areas and lobby, (iii) the addition of a winter garden and a mezzanine floor, and (iv) mechanical and electrical ("**M&E**") replacement and upgrades.

The renovation will be carried out from the fourth quarter of 2024 to the fourth quarter of 2025, with a temporary closure of the property during some months of the renovation period. CLAS will distribute past divestment gains to mitigate the impact from the renovation. The renovation costs will be co-shared with the Cavendish Operator. CLAS will contribute approximately GBP27.5 million (approximately S$47.6 million)[1] of the estimated renovation costs of GBP55.0 million (approximately S$95.2 million).

Based on the valuation by HVS London, the valuation of The Cavendish London is expected to be GBP316.0 million (approximately S$547.2 million) following the renovation and stabilisation of the property in 2027, an increase of GBP101.0 million (approximately S$174.9 million) from the valuation of GBP215.0 million (approximately S$372.3 million) on 30 June 2023. At stabilisation, The Cavendish London is expected to achieve an EBITDA yield[2] on total capitalised cost of approximately 6.5%.

5.4 Opportunity to acquire green, sustainably managed properties

Ascott Kuningan Jakarta and Temple Bar Hotel have obtained green certification in June 2023 and August 2023 respectively. 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. DETAILS OF THE RENEWED FRENCH MASTER LEASE AGREEMENTS

The Managers are also proposing the entry into the Renewed French Master Lease Agreements for each of (a) La Clef Louvre Paris, (b) Citadines Presqu'île Lyon and (c) Citadines Place d'Italie Paris. Each of La Clef Louvre Paris, Citadines Presqu'île Lyon and Citadines Place d'Italie Paris is a serviced residence property in France.

The existing French master lease agreement in respect of La Clef Louvre Paris, located in Paris, France, was entered into between SCI Citadines Paris Louvre (an indirect wholly owned subsidiary of CLAS) as master lessor and Citadines SA (an indirect wholly owned subsidiary of The Ascott Limited) as master lessee.

The existing French master lease agreement in respect of Citadines Presqu'île Lyon, located in Lyon, France, was entered into between SCI Residence Lyon (an indirect wholly owned subsidiary of CLAS) as master lessor and Citadines SA (an indirect wholly owned

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1 This is expected to be partially funded by cash generated from operations and debt.

2 Based on stabilised EBITDA before FF&E (as defined herein) reserves in year 2027/28 over The Cavendish London's Agreed Property Value (GBP215.0 million (approximately S$372.3 million)), estimated capitalised costs (GBP3.8 million (approximately S$6.6 million)), and estimated proportion of project cost attributable to CLAS (GBP27.5 million (approximately S$47.6 million)). Such EBITDA figures are from the HVS London valuation on a stabilised basis.

subsidiary of The Ascott Limited) as master lessee.

The existing French master lease agreement in respect of Citadines Place d'Italie Paris, located in Paris, France, was entered into between SCI Residence Italie (an indirect wholly owned subsidiary of CLAS) as master lessor and Citadines SA (an indirect wholly owned subsidiary of The Ascott Limited) as master lessee.

All three of such existing French master lease agreements are due for renewal on 31 December 2023. These three French master leases contribute about 1.0% of CLAS' FY 2022 actual revenue.

6.1 Terms of the Renewed French Master Lease Agreements

The terms of each of the Renewed French Master Lease Agreements include, among others, the following:

(A) annual payment of fixed rent on a quarterly basis in advance. In the event that variable rent exceeds fixed rent, any excess will be paid in arrears no later than 30 April of the following year;

(B) a late payment penalty in respect of late payment of rent or other sums payable pursuant to the relevant Renewed French Master Lease Agreement, calculated at 0.5% above the legal interest rate from the expiry of one (1) month after the due date and up to the date of payment;

(C) the relevant master lessee may, with the relevant master lessor's consent, only assign or transfer its rights, benefits or obligations under the relevant Renewed French Master Lease Agreement if the relevant Renewed French Master Lease Agreement is to be assigned as a whole to the purchaser of the relevant master lessee's going concern and the relevant master lessee shall remain liable as a joint guarantor for all the successive assignee's obligations for so long as permitted under French law;

(D) the relevant master lessee shall bear all taxes, including land property tax;

(E) the relevant master lessee shall obtain insurance policies in relation to, amongst other things, fire, explosions, floods, and the relevant master lessee waives, and must obtain from its insurers, a waiver of any recourse against the relevant master lessor and its insurer;

(F) in the event of total destruction of the property, the relevant Renewed French Master Lease Agreement shall be automatically terminated and in case of a partial destruction, the relevant master lessee may only terminate the relevant Renewed French Master Lease Agreement if the property has not been reinstated within one year of the destruction. During the period of reinstatement, the relevant master lessee will only be required to pay rent and charges in proportion to the area of the property that has not been destroyed or rendered unusable; and

(G) in the case of non-payment of rent or a breach of any covenant in the relevant Renewed French Master Lease Agreement, the relevant master lessor is entitled to terminate the relevant Renewed French Master Lease Agreement on expiry of a one month period after delivery of a notice to pay, or to remedy the breach, such notice left unanswered or without remedy.

Each of the Renewed French Master Lease Agreements is on the same terms and conditions of the respective existing French master lease agreements except for:

(i) there is higher rent to be received by CLAS under each of the Renewed French Master Lease Agreements;

(ii) the duration of each of the Renewed French Master Lease Agreements is 12 years; and

(iii) there is co-sharing of renovation expense between CLAS and the lessee[1].

Each of the Renewed French Master Lease Agreements shall be for a period of 12 years commencing 1 January 2024.

The rent to be received under each of the Renewed French Master Lease Agreements is the higher of the fixed and variable rent per annum, which is paid quarterly in advance in relation to the fixed rent. In the event that variable rent exceeds fixed rent, any excess will be paid in arrears no later than 30 April of the following year. The rent structure is as follows:

Relevant property	Renewed French Master Lease Agreements (effective 1 January 2024)	
	Higher of	
	Fixed Rent (EUR'000)	Variable Rent (as a percentage of total revenue)
La Clef Louvre Paris	1,060	32%
Citadines Presqu'île Lyon	669	28%
Citadines Place d'Italie Paris	1,422	31%

The fixed rent is indexed to the French commercial lease index published by the National Institute of Statistics and Economic Studies, which is the French national statistics bureau, and will be automatically increased or decreased accordingly each year on the anniversary of the commencement date of each of the Renewed French Master Lease Agreements.

As a comparison, the rent structure of the respective existing French master lease agreements is as follows:

Relevant property	Existing French master lease agreements	
	The aggregate of	
	Fixed Rent (EUR'000)	Variable Rent (as a percentage of total revenue)
La Clef Louvre Paris	850	10.35%
Citadines Presqu'île Lyon	530	10.35%
Citadines Place d'Italie Paris	1,130	10.35%

An independent consultant, HVS London, has been engaged by the Manager and the Trustee to assess the prevailing market rent for each of La Clef Louvre Paris, Citadines

1 As stated in paragraph 3.11 of the IFA Letter (as defined herein) in the Circular, this arrangement is in line with market.

Presqu'île Lyon and Citadines Place d'Italie Paris.

The rent under each of the Renewed French Master Lease Agreements for the financial year ending 31 December 2024 ("**FY 2024**"), as compared to the rent under the existing French master lease agreements for FY 2022, is as follows:

Relevant property	New Rent (FY 2024) (EUR 'million)	Existing Rent (FY 2022) (EUR 'million)	Rent Increase	
			EUR 'million	%
La Clef Louvre Paris	2.1[(1)]	1.5	0.6	40.0%
Citadines Presqu'île Lyon	1.1[(2)]	0.9	0.2	22.2%
Citadines Place d'Italie Paris	2.4[(3)]	1.8	0.6	33.3%
Total	**5.6**	**4.2**	**1.4**	**33.3%**

Notes:

(1) Based on the higher of 32% of revenue for FY 2024 (as per HVS London's lease benchmarking report) and fixed rent of EUR1.1 million.

(2) Based on the higher of 28% of revenue for FY 2024 (as per HVS London's lease benchmarking report) and fixed rent of EUR0.7 million.

(3) Based on the higher of 31% of revenue for FY 2024 (as per HVS London's lease benchmarking report) and fixed rent of EUR1.4 million.

As set out above, the new rent for FY 2024 of EUR5.6 million is 33.3% higher than the existing rent for FY 2022 of EUR4.2 million.

In addition, the rent to revenue ratio under the Renewed French Master Lease Agreements of 32%, 28%, and 31% for La Clef Louvre Paris, Citadines Presqu'île Lyon and Citadines Place d'Italie Paris respectively are in line with the range of the market rent to revenue ratio of between 15% and 36%[1].

The properties will undergo renovation to stay competitive throughout the lease duration. CLAS will incur estimated civil and M&E capital expenditure of EUR5.8 million (approximately S$8.6 million) to meet its sustainability targets. Both CLAS and the lessee will co-share the Furniture, Fixtures, & Equipment ("**FF&E**") capital expenditure, estimated to be EUR11.6 million (approximately S$17.2 million), on a 50%-50% basis, in return for a higher variable rent.

7. RATIONALE FOR THE PROPOSED FRENCH MASTER LEASE RENEWALS

The rationale for the Proposed French Master Lease Renewals is as follows:

(a) the rent receivable by CLAS in FY 2024 as shown in the table at paragraph 6.1 above under the proposed rent structure is estimated to be approximately 33.3% higher than the rent in FY 2022;

(b) the fixed rent of each of the Renewed French Master Lease Agreements provides certainty to CLAS' income;

(c) the variable rent of each of the Renewed French Master Lease Agreements allows

1 Per HVS London's lease benchmarking report.

CLAS to enjoy greater upside from the travel recovery and demand drivers in Paris and Lyon. Paris is a key gateway city in the most visited country globally[1]. The city has a strong and well-diversified leisure base and multiple demand drivers, such as business, entertainment, fashion and sports. The city of Paris is also hosting the 2024 Summer Olympics, which will be an added tourism boost to the city. Lyon is the second largest tourist destination in France[2] (after Paris), and is also known as the French capital of gastronomy[3];

(d) Citadines SA, the master lessee for each of the Renewed French Master Lease Agreements, is an indirect wholly owned subsidiary of The Ascott Limited, which is one of the leading international lodging owner-operators. The Ascott Limited operates more than 40 properties across Europe, with a strong track record and extensive operational resources in France; and

(e) any change to the master lessee would lead to disruption.

8. PRO FORMA FINANCIAL EFFECTS

8.1 Proposed Acquisitions

8.1.1 Assumptions

The pro forma financial effects of the Proposed Acquisitions on the DPS and 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 million[4];

(c) the costs of financing the Milestone Payments are not taken into account in determining the pro forma financial effects as the Milestone Payments will be made post completion, when 70% of the renovations of The Cavendish London and Temple Bar Hotel are completed;

1 Source: UNWTO (May 2023) – World Tourism Barometer.

2 Source: Only Lyon (Official website for tourism for Lyon) – Key figures dated as of 11 May 2023.

3 Source: Explore France – (website by France's National Tourism Development Agency) – Lyon.

4 Based on the exchange rate of GBP1.00 = S$1.73159, EUR1.00 = S$1.48176 and USD1.00 = S$1.31889.

(d) approximately 5.1 million Stapled Securities are issued as payment of the Acquisition Fee payable to the Managers at an illustrative issue price of S$1.03 per 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.

8.1.2 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 166.3 million New Stapled Securities are issued at an issue price of S$1.043 per New Stapled Security pursuant to the private placement portion of the Equity Fund Raising with fund raising costs of S$3.3 million.

	Before the Proposed Acquisitions	After the Proposed Acquisitions(1)
Total Distribution (S$'000)	189,834(2)	203,334
Number of Stapled Securities ('000)	3,445,625(3)	3,618,040(4)
DPS (Singapore cents)	5.67	5.77
Distribution Yield (%)	5.4%(5)	5.5%(5)

Notes:

(1) For the avoidance of doubt, this does not include the effects of the Proposed French Master Lease Renewals.

(2) Based on the 2022 Audited Consolidated Financial Statements.

(3) Number of Stapled Securities in issue as at 31 December 2022.

(4) Adjusted to include approximately 166.3 million New Stapled Securities issued at an issue price of S$1.043 per New Stapled Security pursuant to the private placement portion of 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 8.1.1(d) above) and the 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 the Managers' management fees for FY 2022.

(5) Based on the closing Stapled Security price of S$1.05 on 31 December 2022.

8.1.3 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(1)
NAV (S$'000)	3,965,436(2)	4,140,882(3)
Number of Stapled Securities in issue ('000)	3,445,625(4)	3,617,090(5)
NAV per Stapled Security (S$)	1.15	1.15

Notes:

(1) For the avoidance of doubt, this does not include the effects of the Proposed French Master Lease Renewals.

(2) Based on the 2022 Audited Consolidated Financial Statements.

(3) Adjusted to include approximately 166.3 million New Stapled Securities issued at an issue price of S$1.043 per New Stapled Security pursuant to the private placement portion of the Equity Fund Raising and associated costs, as if they were completed on 31 December 2022.

(4) Number of Stapled Securities in issue as at 31 December 2022.

(5) Includes adjustments to include approximately 166.3 million New Stapled Securities issued at an issue price of S$1.043 per New Stapled Security pursuant to the private placement portion of 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 8.1.1(d) above). For the avoidance of doubt, the impact of the Equity Fund Raising on the NAV per Stapled Security is not material.

8.2 Proposed French Master Lease Renewals

8.2.1 Assumed Exchange Rates

In preparing the pro forma DPS and NAV per Stapled Security for FY 2022, the exchange rates between EUR and the Singapore dollar are assumed to be as follows:

	Average rate for FY 2022	31 December 2022
EUR	1.45823	1.41840

8.2.2 Pro Forma DPS and Distribution Yield

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed French Master Lease Renewals on CLAS' DPS and distribution yield for FY 2022, as if the Proposed French Master Lease Renewals were completed on 1 January 2022.

	Before the Proposed French Master Lease Renewals	After the Proposed French Master Lease Renewals(1)
Total Distribution (S$'000)	189,834(2)	190,686(3)

	Before the Proposed French Master Lease Renewals	After the Proposed French Master Lease Renewals(1)
Number of Stapled Securities ('000)	3,445,625(4)	3,445,625(4)
DPS (Singapore cents)	5.67	5.70
Distribution Yield (%)	5.4%(5)	5.4%(5)

Notes:

(1) For the avoidance of doubt, this does not include the effects of the Proposed Acquisitions.

(2) Based on the 2022 Audited Consolidated Financial Statements.

(3) After taking into account the impact arising from the Proposed French Master Lease Renewals, where the revised rent is based on the higher of the relevant percentage (stated at paragraph 6.1 above) of the lessee's actual FY 2022 operating revenue of the properties and the fixed rent.

(4) Number of Stapled Securities in issue as at 31 December 2022.

(5) Based on the closing Stapled Security price of S$1.05 on 31 December 2022.

8.2.3 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

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

	Before the Proposed French Master Lease Renewals	After the Proposed French Master Lease Renewals(1)
NAV (S$'000)	3,965,436(2)	3,965,436(3)
Number of Stapled Securities in issue ('000)	3,445,625(4)	3,445,625(4)
NAV per Stapled Security (S$)	1.15	1.15

Notes:

(1) For the avoidance of doubt, this does not include the effects of the Proposed Acquisitions.

(2) Based on the 2022 Audited Consolidated Financial Statements.

(3) Assumed no changes to the valuations of La Clef Louvre Paris, Citadines Presqu'île Lyon and Citadines Place d'Italie Paris from the Proposed French Master Lease Renewals.

(4) Number of Stapled Securities in issue as at 31 December 2022.

9. INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

As at 27 September 2023, CapitaLand Investment Limited ("**CLI**"), through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,062,099,751 Stapled Securities, which comprises approximately 28.25% of the total number of Stapled Securities in issue[1] as at 27 September 2023, and is therefore regarded as a Controlling Stapled Securityholder of CLAS under both Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and

1 Based on a total number of 3,759,135,035 Stapled Securities in issue as at 27 September 2023.

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[1] of each of the Managers under both the Listing Manual and the Property Funds Appendix.

9.1 Proposed Acquisitions as an Interested Person Transaction and an Interested Party Transaction

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.

9.2 Proposed entry into the Management Agreements as an Interested Person Transaction

As each of the Cavendish Operator, the Temple Bar Operator and the Kuningan Operator is an indirect wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CLI (being a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers), each of the Cavendish Operator, the Temple Bar Operator and the Kuningan Operator (being a subsidiary of a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purposes of the Listing Manual) an "interested person" of CLAS.

Accordingly, the entry into the Management Agreements will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

9.3 Proposed French Master Lease Renewals as an Interested Person Transaction

As Citadines SA, being the master lessee of each of the Renewed French Master Lease Agreements, is an indirect wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CLI (being a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers), Citadines SA (being a subsidiary of a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purposes of the Listing Manual) an "interested person" of CLAS.

Accordingly, the entry into the Renewed French Master Lease Agreements will constitute an "interested person transaction" under Chapter 9 of the Listing Manual (and together with

1 A person who: (a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The Singapore Exchange Securities Trading Limited may determine that such a person is not a controlling shareholder; or (b) in fact exercises control over a company.

the Proposed Acquisitions and the proposed entry into the Management Agreements, the "**IPT Transactions**").

9.4 Requirement for Stapled Securityholders' approval under Chapter 9 of the Listing Manual

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 S$198.3 million, such a transaction would be subject to Stapled Securityholders' approval.

Given that:

(i) the aggregate Purchase Consideration of the Proposed Acquisitions to be entered into by the CLAS Group is S$357.8 million;

(ii) the aggregate value of the management fees under the Management Agreements to be entered into by the CLAS Group is S$188.2 million; and

(iii) the aggregate value of the rent under the Proposed French Master Lease Renewals to be entered into by the CLAS Group is S$112.8 million,

the value of the IPT Transactions is approximately S$658.8 million, representing approximately 16.6% of CLAS' latest audited NTA.

As this value exceeds 5.0% of CLAS' latest audited NTA, the IPT Transactions are subject to Stapled Securityholders' approval under Chapter 9 of the Listing Manual.

9.5 Requirement for Stapled Securityholders' approval under Paragraph 5 of the Property Funds Appendix

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Stapled Securityholders' approval for an interested party transaction by CapitaLand Ascott REIT whose value exceeds 5.0% of CapitaLand Ascott REIT and its subsidiaries' (the "**CapitaLand Ascott REIT Group**") latest audited NAV.

Based on the 2022 Audited Consolidated Financial Statements, the NAV of the CapitaLand Ascott REIT Group was S$3,449.6 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 CapitaLand Ascott REIT with an interested party is equal to or greater than S$172.5 million, such a transaction would be subject to Stapled Securityholders' approval.

The aggregate purchase consideration of the Cavendish Share Acquisition and the Kuningan Share Acquisition to be entered into by the CapitaLand Ascott REIT Group is S$254.1 million, representing approximately 7.4% of CapitaLand Ascott REIT's latest audited NAV. As this value exceeds 5.0% of CapitaLand Ascott REIT's latest audited NAV, the Cavendish Share Acquisition and the Kuningan Share Acquisition are subject to Stapled Securityholders' approval under the Property Funds Appendix.

9.6 Other Interested Person Transactions

As at the date of this Announcement, save for the IPT Transactions, the value of all interested person transactions entered into between CLAS and CLI and its subsidiaries (including The Ascott Limited) and associates during the course of the current financial year is approximately S$154.0 million. The value of all interested person transactions during the course of the current financial year is S$155.6 million.

10. OPINION OF THE INDEPENDENT FINANCIAL ADVISER AND STATEMENT OF THE INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE

The Managers have appointed Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the "**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Managers (the "**Independent Directors**"), the audit committee of the Managers (the "**Audit Committee**") and the Trustee in relation to the Proposed Acquisitions (including the Management Agreements) and the Proposed French Master Lease Renewals.

A copy of the letter from the IFA to the Independent Directors, the Audit Committee and the Trustee (the "**IFA Letter**"), containing its advice in full, is set out in **Appendix A** of the Circular and Stapled Securityholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Acquisitions (including the Management Agreements) and the Proposed French Master Lease Renewals are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

Based on the opinion of the IFA (as set out in the IFA Letter) and the rationale for and key benefits of the Proposed Acquisitions (including the Management Agreements) as set out in paragraph 5 above and the rationale for the Proposed French Master Lease Renewals at paragraph 7 above, the Independent Directors and the Audit Committee believe that the Proposed Acquisitions (including the Management Agreements) and the Proposed French Master Lease Renewals are on normal commercial terms and would not be prejudicial to the interests of CLAS and its minority Stapled Securityholders.

11. OTHER INFORMATION

11.1 Discloseable Transaction

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(b) and Rule 1006(c) of the Listing Manual respectively:

(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 5.0%, the transaction is classified as a discloseable transaction. Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving CLAS be made conditional upon approval by Stapled Securityholders in a general meeting. However, the approval of Stapled Securityholders in a general meeting is not required in the case of an acquisition of profitable assets if only sub-paragraph 11.1(i) (i.e. Rule 1006(b) of the Listing Manual) exceeds the relevant 20.0% threshold.

The relative figures for the Proposed Acquisitions using the applicable bases of comparison described above are set out in the table below.

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)	3,374.6(4)	17.4%

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 of S$230.7 million to be assumed and provided by the Trustee pursuant to the Cavendish Guarantee on completion of the Cavendish SPA in connection with the Cavendish Facility Agreement.

(4) The figure is based on the weighted average price of S$0.8977 as at 6 October 2023, being the market day prior to the date of the Purchase Agreements.

As seen in the table above, both of the relative figures exceed the 5.0% threshold for a discloseable transaction but do not exceed the 20.0% threshold for a major transaction. As such, the Proposed Acquisitions constitute a "discloseable transaction" under Rule 1010 of the Listing Manual (read with Rule 1006 of the Listing Manual), but do not constitute a "major transaction" under Rule 1014(1) of the Listing Manual (read with Rule 1006 of the Listing Manual).

11.2 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.

Based on the Register of Directors' Stapled Securityholdings maintained by the Managers, the interests of the directors of the Managers ("**Directors**") in Stapled Securities as at 27 September 2023 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	167,510	0.004	0	0	167,510	0.004	N.A.	N.A.
Teo Joo Ling, Serena	57,064	0.002	0	0	57,064	0.002	0 to 560,972(3)	110,913(4),(5)
Sim Juat Quee Michael Gabriel	113,920	0.003	0	0	113,920	0.003	N.A.	N.A.
Chia Kim Huat	136,988	0.004	0	0	136,988	0.004	N.A.	N.A.
Deborah Lee Siew Yin	39,218	0.001	0	0	39,218	0.001	N.A.	N.A.
Ong Su Kiat Melvyn	0	0	0	0	0	0	N.A.	N.A.
Goh Soon Keat Kevin	234,319	0.006	0	0	234,319	0.006	N.A.	N.A.
Beh Siew Kim	1,872,934	0.050	0	0	1,872,934	0.050	0 to 814,436(3)	314,523(4),(5)

Notes:

(1) The percentage is based on 3,759,135,035 Stapled Securities in issue as at 27 September 2023 and is rounded up to the nearest 0.001%.

(2) This refers to the number of Stapled Securities which are the subject of awards granted or finalised but not released under the Manager's Performance Stapled Security Plan ("**PSSP**") and the Restricted Stapled Security Plan ("**RSSP**").

(3) The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the three-year performance period. The final number of Stapled Securities that will be released could range from 0% to 200% of the baseline award. The Nominating and Remuneration Committee of the Manager has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. The Stapled Securities released, if any, will be delivered in a combination of stapled securities and cash.

(4) Being the unvested Stapled Securities under the RSSP.

(5) 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 holds 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(5)	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 790,391(3) 379,714(4)	0 to 1,487,778(5)	62,588(6),(7)
Beh Siew Kim	248,929	0.005	0	0	248,929	0.005	0 to 153,420(3)	0 to 531,348(5)	N.A.

Notes:

(1) The percentage is based on 5,121,814,771 issued shares (excluding treasury shares) as at 27 September 2023 and is rounded up to the nearest

0.001%.

(2) This refers to the number of CLI Shares which are the subject of awards granted or finalised but not released under CLI's Performance Share Plan 2021 ("**PSP**") and Restricted Share Plan 2021 ("**RSP**").

(3) The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. For PSP awards granted in 2022, the final number of CLI Shares that will be released could range from 0% to 200% of the baseline award. For PSP awards granted in 2023, the final number of CLI Shares that will be released could range from 0% to 300% of the baseline award. The CLI Executive Resource and Compensation Committee ("**ERCC**")/Board has the discretion to adjust the number of shares released, taking into consideration other relevant quantitative and qualitative factors. The shares released, if any, will be delivered in a combination of shares and cash.

(4) Being the finalised and unvested CLI Shares under the PSP.

(5) This is a one-time special contingent award granted to selected key executives in CLI and/or CLI group. The final number of CLI Shares that will be released will range from 0% to 300% of the baseline award depending on the achievement of pre-determined targets over a five-year performance period. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The CLI ERCC/Board has the absolute discretion to adjust the number of shares released, taking into consideration other relevant quantitative and qualitative factors.

(6) Being the finalised and unvested CLI Shares under the RSP.

(7) On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends 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 27 September 2023 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) ("**Temasek**")	0	0	1,245,487,395	33.13	1,245,487,395	33.13
Tembusu Capital Pte. Ltd.(4) ("**Tembusu**")	0	0	1,231,756,752	32.76	1,231,756,752	32.76
Bartley Investments Pte. Ltd.(5),(6) ("**Bartley**")	0	0	1,215,641,834	32.33	1,215,641,834	32.33
Mawson Peak Holdings Pte. Ltd.(5),(6) ("**Mawson**")	0	0	1,215,641,834	32.33	1,215,641,834	32.33
Glenville Investments Pte. Ltd.(5),(6) ("**Glenville**")	0	0	1,215,641,834	32.33	1,215,641,834	32.33
TJ Holdings (III) Pte. Ltd.(5),(6) ("**TJHIII**")	0	0	1,215,641,834	32.33	1,215,641,834	32.33
CLA Real Estate Holdings Pte. Ltd.(5),(6) ("**CLA**")	0	0	1,215,641,834	32.33	1,215,641,834	32.33
CapitaLand Group Pte. Ltd.(5),(6) ("**CLG**")	153,542,083	4.08	1,062,099,751	28.25	1,215,641,834	32.33
CLI(7)	0	0	1,062,099,751	28.25	1,062,099,751	28.25
The Ascott Limited(8)	189,510,989	5.04	596,287,750	15.86	785,798,739	20.90
Somerset Capital Pte Ltd ("**SCPL**")	596,287,750	15.86	0	0	596,287,750	15.86
CapitaLand Ascott Trust Management Limited ("**CLASML**")	265,311,796	7.05	0	0	265,311,796	7.05

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 3,759,135,035 Stapled Securities in issue as at 27 September 2023 and is rounded down to the nearest 0.01%.

(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 27 September 2023, none of the Directors or the Substantial Stapled Securityholders has an interest, direct or indirect, in the Proposed Acquisitions or the Proposed French Master Lease Renewals.

11.3 Directors' Service Contracts

No person is proposed to be appointed as a Director in connection with the Proposed Acquisitions or the Proposed French Master Lease Renewals or any other transactions contemplated in relation to the Proposed Acquisitions or the Proposed French Master Lease Renewals.

It should be noted that separate from the Proposed Acquisitions and the French Master Lease Renewals, Directors may be appointed or replaced in line with the normal board renewal process.

11.4 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers[1] 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 Purchase Agreements;

(ii) the IFA Letter;

(iii) the independent valuation reports on the Properties issued by HVS London, Cushman & Wakefield Debenham Tie Leung Limited, Cushman & Wakefield Ireland, HVS Singapore and Cushman & Wakefield VHS Pte. Ltd.;

(iv) the market research report issued by HVS London and HVS Singapore;

(v) the lease benchmarking report issued by HVS London in relation to the Renewed French Master Lease Agreements;

(vi) the 2022 Audited Consolidated Financial Statements;

(vii) the forms of the Management Agreements; and

(viii) the forms of the Renewed French Master Lease Agreements.

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

1 Prior appointment with the Managers is required. Please contact Investor Relations (telephone: +65 6713 2888).

BY ORDER OF THE BOARD

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED
(Company Registration No. 200516209Z)
As manager of CapitaLand Ascott Real Estate Investment Trust

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
(Company Registration No. 201925299R)
As trustee-manager of CapitaLand Ascott Business Trust

Karen Chan
Company Secretary
9 October 2023

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.