



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)

Managed by

CapitaLand Ascott Trust Management Limited

(Company Registration No. 200516209Z)

CapitaLand Ascott Business Trust

(A business trust constituted on 9 September 2019 under the laws of the Republic of Singapore)

Managed by

CapitaLand Ascott Business Trust Management Pte. Ltd.

(Company Registration No. 201925299R)

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING
HELD AT THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE,
1 VISTA EXCHANGE GREEN, SINGAPORE 138617 AND
BY ELECTRONIC MEANS ON TUESDAY, 24 OCTOBER 2023 AT 3.00 P.M.**

Present : Stapled Securityholders/Proxies

As per attendance lists

In attendance by : Directors of CapitaLand Ascott Trust Management Limited² and physical appearance¹ CapitaLand Ascott Business Trust Management Pte. Ltd.³

Mr Tan Beng Hai, Bob, Chairman and Non-Independent Non-Executive Director

Ms Teo Joo Ling, Serena, Chief Executive Officer and Executive Non-Independent Director

Mr Sim Juat Quee Michael Gabriel, Non-Executive Independent Director

Ms Deborah Lee Siew Yin, Non-Executive Independent Director

Mr Ong Su Kiat Melvyn, Non-Executive Independent Director

Mr Goh Soon Keat Kevin, Non-Executive Non-Independent Director

Ms Beh Siew Kim, Non-Executive Non-Independent Director

1 Mr Chia Kim Huat, Non-Executive Independent Director, was absent from the EGM.

2 As manager of CapitaLand Ascott Real Estate Investment Trust (the "REIT", and the manager of the REIT, the "REIT Manager")

3 As the trustee-manager of CapitaLand Ascott Business Trust (the "BT", and the trustee-manager of the BT, the "BT Trustee-Manager")

CAPITALAND ASCOTT TRUST

Minutes of the Extraordinary General Meeting held on 24 October 2023

Company Secretary of the REIT Manager and the BT Trustee-
Manager (the “Managers”)

Ms Karen Chan

Management of the Managers (“Management”)

Ms Kang Siew Fong, Chief Financial Officer

Mr Gerry Chan, Managing Director, REIT Investments

Ms Denise Wong, Head, Investor Relations & Sustainability

Representatives of Deloitte & Touche Corporate Finance Pte Ltd,
the Independent Financial Adviser

Representatives of DBS Trustee Limited, the trustee of the REIT
(the “Trustee”)

Representatives of Allen & Gledhill LLP, the counsel for
CapitaLand Ascott Trust (“CLAS”)

1. INTRODUCTION

- 1.1. On behalf of the Trustee, the BT Trustee-Manager, and the Boards of Directors of the Managers (the “**Boards**”), Ms Denise Wong, the Master of Ceremonies (the “**Emcee**”), welcomed the holders of stapled securities in CLAS (“**Stapled Securities**”, and the holders of Stapled Securities, the “**Stapled Securityholders**”) to the Extraordinary General Meeting of CLAS (“**EGM**” or the “**Meeting**”).
- 1.2. Prior to the commencement of the EGM, the Emcee reminded all present that photo taking and video recording were not permitted at the EGM and that the EGM proceedings were for Stapled Securityholders and the preservation of confidentiality and privacy should be observed.
- 1.3. The Emcee explained to the Meeting that the EGM might be adjourned to a later date and time if there was a technical interruption for more than 30 minutes or such longer period as the Chairman of the Meeting (“**Chairman**”) may determine for the concurrent “live” webcast of the EGM and if so, Stapled Securityholders should refer to the announcement which would be posted on SGXNet and CLAS' corporate website for the new EGM details.
- 1.4. The Emcee then briefed all in attendance on the emergency evacuation plan and introduced the panellists and key parties who had joined the EGM by physical appearance. The Emcee announced that Mr Chia Kim Huat was unable to attend the EGM due to prior overseas commitments and conveyed his apologies to Stapled Securityholders for not being able to attend the EGM. The Emcee informed the Meeting that Mr Chia Kim Huat was supportive of both resolutions (“**Resolutions**”) set out in the notice of EGM dated 9 October 2023 (“**Notice of EGM**”) and had submitted his proxy forms to vote in favour of both Resolutions.
- 1.5. The Emcee then informed the Meeting that Mr Tan Beng Hai, Bob had been nominated by the Trustee and the BT Trustee-Manager to preside as the Chairman of the Meeting (“**Chairman**”) in accordance with the trust deed dated 19 January 2006 constituting the REIT (as amended) and the trust deed dated 9 September 2019 constituting the BT (as amended).
- 1.6. The Emcee handed the conduct of the EGM over to the Chairman.
- 1.7. The Chairman welcomed Stapled Securityholders present both physically and virtually to the Meeting and explained that the EGM was being held

concurrently as a physical and virtual meeting to give Stapled Securityholders more options to attend and participate in the EGM, and explained that Stapled Securityholders who were attending virtually were able to ask questions and vote through the concurrent “live” webcast.

- 1.8. The Chairman noted that a quorum was present and declared the Meeting open at 3.05 p.m.. As printed copies of the Notice of EGM dated 9 October 2023 had been mailed to all Stapled Securityholders and published on SGXNet and CLAS’ corporate website for the requisite notice period, the Chairman took the Notice of EGM as read.
- 1.9. The Chairman noted that for the purposes of the EGM, the independent directors of the Managers (“**Independent Directors**”) were himself, Mr Sim Juat Quee Michael Gabriel, Mr Chia Kim Huat, Ms Deborah Lee Siew Yin and Mr Ong Su Kiat Melvyn; and the non-independent directors of the Managers (“**Non-Independent Directors**”) were Mr Goh Soon Keat Kevin, Ms Beh Siew Kim and Ms Teo Joo Ling, Serena.
- 1.10. The Chairman informed the Meeting that the Non-Independent Directors had abstained from making any recommendations to Stapled Securityholders and would abstain from voting on the Resolutions for the interested person transactions.
- 1.11. The Chairman stated that as mentioned in the circular to Stapled Securityholders dated 9 October 2023 (the “**Circular**”), the Independent Directors who hold Stapled Securities would be voting in favour of both Resolutions.
- 1.12. The Chairman then informed the Meeting that the Managers’ responses to the substantial and relevant questions related to the resolutions to be tabled at the EGM received prior to the EGM had been circulated on SGXNet and on CLAS’ corporate website. The Chairman informed Stapled Securityholders that any other questions relevant to the agenda of the EGM could be addressed during the Q&A segments before each Resolution was put forth for voting later in the Meeting.
- 1.13. Ms Teo Joo Ling, Serena, the Chief Executive Officer of the Managers (the “**CEO**”), delivered the CEO’s presentation covering an overview of CLAS’ existing portfolio and strategy for Stapled Securityholders. She then shared on the overarching rationale and key benefits of the proposed acquisitions of the three hospitality properties in London, Dublin and Jakarta, and the

proposed renewals of the master leases of three French properties in CLAS' portfolio.

Note:

The presentation slides were uploaded to SGXNET prior to the Meeting on 19 October 2023.

- 1.14. The Emcee thanked the CEO for her presentation, and informed Stapled Securityholders that the next segment of the Meeting would commence.

2. CONDUCT OF POLL

- 2.1. The Emcee informed the Meeting that, in accordance with Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), each Resolution as set out in the Notice of EGM would be decided by poll. Polling for Stapled Securityholders who were physically present would be conducted in a paperless manner using wireless handheld devices issued to Stapled Securityholders upon their registration for the EGM. Polling for Stapled Securityholders who were attending virtually would be conducted through the voting page on the live audio-visual webcast. The Emcee reminded virtual attendees that they would only be able to cast their votes "live" on the audio-visual webcast, and not the audio-only stream of the EGM.
- 2.2. The Emcee further informed the Meeting that DrewCorp Services Pte. Ltd. had been appointed as the scrutineers and invited the polling agents, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Polling Agent**") to explain the voting procedures. Two video explanations were played to explain the voting procedure to Stapled Securityholders – one for those attending physically and one for those attending virtually. A representative from the Polling Agent carried out a test resolution. The Chairman then proceeded with the business of the meeting.
- 2.3. The Chairman informed the Meeting that as Chairman of the EGM, he would propose all the Resolutions as set out in the Notice of EGM and would declare the results for each Resolution, after the voting was closed.
- 2.4. The Chairman informed the Meeting that each of the Resolutions proposed at the EGM were Ordinary Resolutions which required more than 50% of the total votes cast to be passed.

- 2.5. The Chairman requested that Stapled Securityholders raise their questions and/or comments only after the Resolution in respect of the agenda item had been proposed. The Chairman further asked that Stapled Securityholders adhere strictly to matters that were relevant to the agenda of the Meeting and limit the questions to a reasonable number and length. The Chairman informed the Meeting that Stapled Securityholders attending virtually could send in their questions during the relevant Q&A segment by typing in the live chat function on the audio-visual webcast and that Stapled Securityholders would not be able to ask questions on the audio-only stream of the EGM.
- 2.6. The Chairman informed the Meeting that he held valid proxies on the Resolutions from eligible Stapled Securityholders and the validity of the proxies submitted by eligible Stapled Securityholders by the submission deadline had been reviewed and the votes of all such valid proxies had been counted and verified.
- 2.7. The Chairman then proceeded with the Resolutions, beginning with Ordinary Resolution 1.
3. **Ordinary Resolution 1: Proposed acquisitions of (a) 100.0% of the shares in the Cavendish TargetCo which indirectly holds The Cavendish London, (b) Temple Bar Hotel, and (c) 100.0% of the shares in each of the Kuningan TargetCos which indirectly hold Ascott Kuningan Jakarta, and entry into Management Agreements, as interested person transactions**
- 3.1. The Chairman explained that Ordinary Resolution 1 was to approve the acquisitions of (a) 100.0% of the interest in a hotel in London, UK (“**The Cavendish London**”), (b) a hotel in Dublin, Ireland (“**Temple Bar Hotel**”) and (c) 100.0% of the interest in a serviced residence in Jakarta, Indonesia (“**Ascott Kuningan Jakarta**”, and together with The Cavendish London and Temple Bar Hotel, the “**Properties**”) from interested persons for an aggregate purchase consideration of S\$357.8 million, and entry into management agreements for each of the Properties, as interested person transactions (the “**Proposed Acquisitions**”).
- 3.2. The Chairman informed Stapled Securityholders that the full text of the Resolution was set out in the Notice of EGM, and that further details of the Proposed Acquisitions had been set out in the Circular and Notice of EGM.
- 3.3. The Chairman invited questions and comments from the floor.

- 3.4. The Emcee informed the Meeting that Stapled Securityholders who were attending the EGM physically and wished to pose a question could proceed to the standing microphone along the aisle. For those attending the EGM virtually, the Emcee explained that they should type in and submit their questions through the “live” chat function via the webcast which was open for them to ask their questions.
- 3.5. The first question was raised by Mr Sung-Mo Hong (“**Mr Hong**”). Mr Hong asked whether large institutional shareholders, such as Temasek Holdings (Private) Limited (“**Temasek**”), had expressed, whether privately or publicly, how they intended to vote on both of the Resolutions set out in the Notice of EGM.
- 3.6. The CEO explained that as both Resolutions were interested party transactions, related entities and associates of Temasek and CapitaLand Investments Limited (“**CLI**”) would not be permitted to vote and would abstain from voting. The CEO also noted that for institutional investors beyond Temasek, the market practice for some institutional investors is to take guidance from proxy advisor reports. Given that Glass, Lewis & Co. and Institutional Shareholder Services Inc., the two largest proxy advisors, had issued reports recommending Stapled Securityholders to vote in favour of the two Resolutions set out in the Notice of EGM, the CEO expressed that she expected institutional investors to be following their recommendations.
- 3.7. Mr Harish Rao (“**Mr Harish**”) asked how the Proposed Acquisitions were being funded in light of the increasing cost of debt in recent years. He opined that the spread between the entry earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) yield of 6.2% and the cost of debt of 5% was small, and further noted that the EBITDA yield of 6.2% excluded the milestone payments to be made for The Cavendish London and Temple Bar Hotel (the “**Milestone Payments**”). Mr Harish questioned whether the Proposed Acquisitions would still be accretive after deducting the Milestone Payments, taxes, management fees and other relevant fees.
- 3.8. The CEO referred to her presentation and acknowledged that the entry yield for the Proposed Acquisitions was 6.2% and that the blended cost of debt that CLAS would take on for the Proposed Acquisitions, which included taking over a debt that was already in place for The Cavendish London, was around 5%. The CEO also explained that the Managers had carried out sensitivity analyses on a range of interest rates and expected the Properties to remain

accretive based on their estimates of interest rates moving forward. The CEO further clarified that the Milestone Payments would be made only after substantial completion of the planned renovation works, by which time there would be increased EBITDA and income coming in from the renovated Properties which would be sufficient to cover the cost of funding for both the Milestone Payments and the capital expenditure outlay of S\$27.5 million for The Cavendish London. The CEO concluded that the Managers were fairly confident that the Properties would create additional value to increase the distribution per Stapled Security (“**DPS**”) for Stapled Securityholders.

- 3.9. The CEO then assured Stapled Securityholders that for the existing CLAS portfolio, 80% of debt was on fixed rates and these rates would remain fixed for approximately 3.5 years, which placed CLAS in a strong financial and liquidity position to be able to mitigate the impact of fluctuations in interest rates. Additionally, the CEO highlighted that CLAS’ portfolio consisted of hospitality assets which were able to deliver yield that was sufficient to cover some of the increases in costs. The CEO shared that while the Managers had seen interest rates increasing in recent years, as was the case for all other Singapore-listed real estate investment trusts (“**REITs**”), financing costs as a proportion of revenue for CLAS had decreased.
- 3.10. Mr Harish then asked a follow-up question on whether the Managers could share some details on any criteria or guidelines which the Managers adopt when deciding whether to undertake an acquisition, such as a specific spread between the property income and cost of debt that the Managers would deem acceptable.
- 3.11. The CEO responded that generally, on a risk-adjusted yield basis, the Managers tend not to take on any dilutive acquisitions and that in the past few years, the Managers had only taken on accretive acquisitions. The CEO highlighted that one of the most beneficial features of the Proposed Acquisitions was that there could be further DPS accretion following the renovations and rebranding, and explained that the Managers were of the view that the Proposed Acquisitions were one of the best opportunities available within the pipeline for CLAS.
- 3.12. For his first question, Mr Lum Yue Wah (“**Mr Lum**”) referred to page 5 of the Circular and asked why there was a disparity between the aggregate agreed property value of the Properties, which was S\$530.8 million, and the purchase consideration of S\$357.8 million. Mr Lum observed that such a difference appeared to be to CLAS’ advantage and opined that such a

difference was mainly due to the renovations. Mr Lum then asked whether the Managers could explain if there were any other reasons for the disparity.

- 3.13. For his second question, Mr Lum referred to page 35 of the Circular, which stated that the renovation of The Cavendish London was scheduled to take place during the fourth quarter of 2024 to the fourth quarter of 2025, during which The Cavendish London would be temporarily closed and CLAS would distribute divestment gains to Stapled Securityholders. Mr Lum asked if the Managers could provide an estimate of the potential loss during the closure.
- 3.14. Regarding Mr Lum's first question, the CEO explained that the disparity between the aggregate agreed property value of the Properties and the purchase consideration was due to CLAS taking over a debt currently in place for The Cavendish London.
- 3.15. In relation to Mr Lum's second question on the renovation of The Cavendish London, the CEO highlighted that the Managers had factored in the scenario by planning that during the period of temporary closure for renovations, CLAS would top up the distributions to Stapled Securityholders by distributing past divestment gains to make up the income loss. The CEO shared that CLAS' past divestment gains were sufficient to top up the distributions during the period of temporary closure.
- 3.16. For his first question, Mr Chong Ah Pok ("**Mr Chong**") asked whether the Managers could explain The Ascott Limited's ("**TAL**") motivation for selling the Properties to CLAS.
- 3.17. For his second question, Mr Chong asked whether the future relocation of the capital city of Indonesia from Jakarta to Borneo would have any impact on the performance of Ascott Kuningan Jakarta.
- 3.18. For his third question, Mr Chong asked whether there would be any renovations on the Properties post-acquisition and the cost of such renovations to CLAS.
- 3.19. Mr Chong then asked a fourth question on whether the Managers had considered whether geopolitical risks would affect the Properties, citing the example of France which had recently seen unrest and demonstrations.
- 3.20. In relation to Mr Chong's first question, the CEO explained that the sale of the Properties by TAL to CLAS was a willing-seller and willing-buyer arrangement

and the price that CLAS was paying was supported by two independent valuations of the Properties.

- 3.21. On Mr Chong's second question regarding the potential impact of Indonesia moving its capital, the CEO highlighted that first, such a move is likely to take an extended period of time and second, Jakarta has economic significance with many businesses other than just capital city activities that would not cease even if the capital was relocated. Thirdly, CLAS' properties in Indonesia, including Ascott Kuningan Jakarta, were serviced residences which were more resilient due to the longer average length of stay and majority of the guests at CLAS' Indonesian serviced residences were coming from the corporate sector. The CEO assured Stapled Securityholders that the Managers were fairly confident of achieving a healthy level of profitability for the Proposed Acquisitions and cited the entry yield of 6.7% for Ascott Kuningan Jakarta as representing a healthy level of profitability for CLAS.
- 3.22. In relation to Mr Chong's third question on whether renovations would be carried out on the Properties post-acquisition, the CEO explained that as Ascott Kuningan Jakarta is relatively new, it is unlikely that significant capital expenditure for renovations would be required beyond the usual annual repairs. The CEO then explained that renovations for The Cavendish London would require a capital expenditure outlay of approximately GBP55 million, which would be shared equally by the operator of The Cavendish London and CLAS. Finally, the CEO explained that Temple Bar Hotel is slated for some minor refresh works which would cost approximately EUR3 million.
- 3.23. In relation to Mr Chong's fourth question on geopolitical risk, the CEO acknowledged that Europe's geopolitical landscape had been affected by the recent wars and some instances of unrest and demonstrations. However, the CEO explained that CLAS' properties in Europe were relatively far away from the areas of unrest and the Managers had taken the appropriate heightened security measures. The CEO also shared that so far, CLAS' operations remained as per normal with both bookings and forward bookings continuing to remain healthy. The CEO assured Stapled Securityholders that at present, the Managers had not seen a major material negative impact to the operations of CLAS' properties. The CEO added that CLAS' properties in France were contracted under master leases, which meant that regardless of operating performance, the fixed component of each of the master leases would afford CLAS some downside protection. The CEO also explained that CLAS' properties in London, including The Cavendish London post-acquisition, were contracted under management contracts with minimum

guaranteed income, which provide CLAS and Stapled Securityholders with some downside protection.

- 3.24. The Chairman added that in relation to Mr Chong's first question on the motivation of TAL in selling the Properties, CLAS has a right of first refusal over properties which TAL wishes to sell and CLAS is constantly considering whether acquiring TAL's properties would suit the needs of and deliver returns to CLAS and its Stapled Securityholders.
- 3.25. In relation to Mr Chong's second question on the potential impact of Indonesia moving its capital city, the Chairman cited examples of cities in other countries which had relocated their capitals but nonetheless continued to flourish and opined that Jakarta was expected to remain a centre for trade and investments even if it were no longer Indonesia's capital city.
- 3.26. Mr Lum then asked an additional question on how the Managers balanced the interests of CLI and minority Stapled Securityholders given that both the Resolutions were interested party transactions and the Managers are related to CLI.
- 3.27. The Chairman replied that the interests of minority Stapled Securityholders were supported by the presence of the Independent Directors. While the Non-Independent Directors had ties to CLI, the Non-Independent Directors had to abstain from making any recommendation to Stapled Securityholders and voting on the interested person transactions. The Chairman explained that the Independent Directors would ensure that the transaction is in the interests of CLAS' minority Stapled Securityholders and Stapled Securityholders at large, firstly by making sure that the transaction is properly valued by independent valuers, and secondly, by seeking the views of the Independent Financial Adviser, and finally, the Independent Directors would make a final evaluation as to whether the transaction was in the interests of Stapled Securityholders.
- 3.28. The Chairman added that the Managers' decisions to embark on acquisitions were independent from any influence by CLI and explained that CLAS does not only acquire properties divested by TAL but considers third-party sellers as well. The Chairman pointed to CLAS' historical track record of accretive acquisitions, many of which were interested person transactions, that had proven to be beneficial to CLAS. The Chairman further explained that CLAS had also benefited from the subsequent sale of such properties in the past which had yielded significant capital gains. The Chairman then concluded by

opining that the system of identifying and separating Independent Directors from Non-Independent Directors was a sound corporate governance practice which was applied throughout all listed companies in Singapore.

- 3.29. Mr Michael Yang, who was attending the EGM virtually, asked a question using the “live” chat function via the webcast on what CLAS’ average cost of debt would be after the Proposed Acquisitions.
- 3.30. The CEO responded that the Managers expected the average cost of debt to increase from about 2.3% to around 2.5% but reiterated that the increase in the cost of debt was expected to be mitigated by an increase in revenue.
- 3.31. Mr Chew Khien Kuan (“**Mr Chew**”) asked whether the Managers could explain the reasons behind the recent fall in the price of CLAS’ Stapled Securities.
- 3.32. The Chairman replied that the prices of Stapled Securities are a function of the market and are dependent on supply and demand. The Chairman acknowledged that the prices of Stapled Securities are, to an extent, based on the performance of Management. However, the Chairman explained that it could not be wholly attributed to the performance of Management and other factors played a role as well. The Chairman observed that on a macro perspective, many REITs had suffered a significant fall in price due to the impact of the high interest rate environment which made instruments such as treasury bills more attractive. To illustrate, the Chairman raised the example of the value of bonds decreasing if interest rates rise. The Chairman elaborated that CLAS had been doing well in terms of metrics such as room rates and occupancy rates and that the fall in the price of Stapled Securities was not due to poor performance but rather due to a market shift away from REITs. The Chairman concluded by opining that he expected investors to eventually return to purchasing more Stapled Securities in the future if they saw CLAS continuing to perform well with potential for sustained yields.
- 3.33. The CEO agreed with the Chairman that there are many factors affecting the price of Stapled Securities, many of which were beyond the control of the Managers, unlike distributions to Stapled Securityholders, which was within the Managers’ control. The CEO explained that in the past three months, the United States (“**U.S.**”) treasury yield had risen rapidly, which had caused the shift in the market that the Chairman had mentioned, which had affected REITs in general and not only CLAS and hospitality trusts. To illustrate, the CEO cited the U.S. 10-year treasury yield which had increased rapidly by

almost 30% year-to-date, crossing the 5% mark for the first time in 16 years. The CEO explained that the prices of Singapore-listed REITs had adjusted to reflect distribution yields which were at a certain premium above the treasury yield, and CLAS, which was currently trading at around 0.8 times to net asset value ("**NAV**"), was trading the tightest in terms of discount to NAV amongst Singapore-listed hospitality trusts. In terms of distribution yield, CLAS was trading at a 6% to 7% yield. The CEO assured Stapled Securityholders that the Managers would work on portfolio reconstitution using acquisitions, divestments or asset enhancement initiatives to bring forth the best possible portfolio that could yield sustainable returns for Stapled Securityholders.

- 3.34. Mr Chong made a comment that the price of Stapled Securities was dependent on the performance of CLAS which was tied to the performance of the directors and Management. Mr Chong further expressed his view that more investors would invest in CLAS if CLAS increased its distributions.
- 3.35. The Chairman responded that he agreed with Mr Chong's view to a certain extent, but the price of Stapled Securities on the market had to be considered in the context of the overall market conditions and also relative to CLAS' peers in the market. The Chairman also shared that investors who invested in a stock would usually hold a longer-term view.
- 3.36. The CEO supplemented the Chairman's answer to Mr Chong, noting that apart from the price of Stapled Securities, another indicator of CLAS' performance is the amount of distributions to Stapled Securityholders, which has increased steadily over the years. The CEO observed that CLAS had made distributions amounting to around 3.48 cents so far in 2023 (including an advanced distribution for the period from 1 July 2023 to 13 August 2023 in relation to the equity fund raising) and compared this to the overall distribution amount of 5.67 cents for the full year in 2022. In light of CLAS' portfolio tending to be seasonally stronger in the second half of the year, the CEO shared that the Managers' existing strategy of portfolio reconstitution was expected to continue to yield increased distributions to Stapled Securityholders.
- 3.37. Mr Chong asked a question on the Managers' strategy in attracting investors to invest in CLAS and expressed his view that Directors and Management were responsible for attracting investors.
- 3.38. The Chairman shared that the Managers attract investors by making sure that Management continues to perform well and stated that the Directors are

aware that if Management's performance was not up to standard, they would lose the confidence of their investors.

- 3.39. Mr Low Seng Joo ("**Mr Low**") expressed his agreement with the CEO and the Chairman on the points raised by them on the price of CLAS' Stapled Securities. He then commented that the sequence of events in which CLI first made a distribution *in specie* ("**DIS**") of Stapled Securities to CLI's shareholders in May 2023, followed by CLAS launching an equity fund raising in August 2023 to fund the Proposed Acquisitions could be negatively perceived by some CLI shareholders who had received CLAS' Stapled Securities through CLI's DIS and resulted in some selling pressure.
- 3.40. The Chairman emphasised that CLI's decisions were entirely unrelated to CLAS, and CLAS makes their own independent decisions. The Chairman shared that for the equity fund raising in August 2023, the private placement to institutional investors was 2.7 times oversubscribed, while the Stapled Securities offered pursuant to the preferential offering ("**Preferential Offering Stapled Securities**") to existing Stapled Securityholders was priced at a discounted rate to enable existing Stapled Securityholders to participate in the preferential offering, following previous feedback received to allow Stapled Securityholders to have more opportunities to take part in equity fund raisings. However, the overall market took a fall during the period of the preferential offering, which caused the market price of the Stapled Securities to be lower than the issue price of the Preferential Offering Stapled Securities. This was a factor that led to the preferential offering becoming undersubscribed and the underwriting banks taking up the Preferential Offering Stapled Securities that were not taken up by Stapled Securityholders. The Chairman then assured Stapled Securityholders that the proceeds from the equity fund raising would go towards enhancing the value of CLAS' portfolio.
- 3.41. The CEO reiterated that CLI's DIS of Stapled Securities and CLAS' decision to launch the equity fund raising were separate and independent events. The CEO also offered a different perspective on CLI's DIS, sharing that CLI's DIS had brought about an increase in the free float of CLAS, helping to increase CLAS' liquidity, as well as bringing new investors to CLAS. Some of the new institutional investors also participated in the private placement.
- 3.42. The Chairman added on by highlighting that CLI had less than a 30% stake in CLAS, and that all dealings with CLI are conducted transparently and at an arms-length basis. The Managers make decisions independently, based on

what would be beneficial for Stapled Securityholders. Mr Sim Juat Quee Michael Gabriel later added on that CLI consolidates the accounts of CLAS with its own purely for accounting purposes.

- 3.43. Mr Soh Wei Ming, who was attending the EGM virtually, asked a question using the “live” chat function via the webcast on what the difference between the EBITDA yield and the yield after tax for the Proposed Acquisitions was. Mr Soh also thanked the Managers for keeping CLAS’ gearing at a low level.
- 3.44. The CEO invited Mr Gerry Chan, Managing Director, REIT Investments, to answer Mr Soh Wei Ming’s question.
- 3.45. Mr Gerry Chan responded that the EBITDA of the Proposed Acquisitions is around S\$27 million based on the previously disclosed EBITDA yield. The distribution income after deducting tax, interest and other costs would be about S\$13.5 million. Mr Gerry Chan then explained that the estimated DPS accretion of 1.8% was based on that net distribution income figure of S\$13.5 million and the Proposed Acquisitions were still beneficial to CLAS even after accounting for tax, interest and other costs.
- 3.46. Mr Hong made an observation that travel post-COVID-19 had become more expensive, citing the examples of air fares and hotel room rates increasing, but the volume of air travel had not yet recovered to pre-COVID-19 levels. Mr Hong opined that while the supply of flights had declined during the pandemic, the supply of hotel rooms had not declined and that hotel room rates remained high. Mr Hong then sought the Managers’ views on how long they estimated this favourable environment would last for CLAS.
- 3.47. The CEO first shared that revenue per available unit (“**RevPAU**”) had recovered to pre-pandemic levels in most markets. The CEO then explained that RevPAU is a function of both average daily rates and occupancies and the driver for CLAS’ increase in RevPAU had been a result of CLAS being able to increase its room rates rather than the occupancies, which continued to be below pre-pandemic levels. The CEO further explained that occupancy rates were a function of flight capacities, and occupancies could thus still increase further as flight capacities increase in the future. If average daily rates remained at current levels, CLAS’ RevPAU was expected to remain healthy in the stronger markets which CLAS had a presence in.
- 3.48. Mr Chen Yen Siong asked a question regarding the Managers’ rationale behind launching the Proposed Acquisitions in the current high interest rate

environment and asked whether it was more prudent for CLAS to hold off the Proposed Acquisitions and pare down its debts instead.

- 3.49. The Chairman responded that in the current rising interest rate environment, the Managers considered two factors when deciding whether to move forward with transactions. The first factor was whether CLAS had the financial capacity to carry out the transaction. The second factor was what sort of transaction was being contemplated, which required the Managers to consider the quality of the assets being acquired. The Chairman noted that for the Proposed Acquisitions, the Properties were high quality assets in capital cities which might not be available for acquisition in the future. The Chairman then shared that the Managers had considered the question of whether the Properties could generate greater value, taking into account the risks of acquiring the Properties. The Chairman then cited the example of The Cavendish London, which was the largest asset amongst the Properties. The Cavendish London's room rates were currently around GBP250 per night, compared to the room rates of similar hotels in its vicinity, which had rates ranging from GBP500 to GBP1,000 per night. There was thus capacity for its room rates to increase further, considering its prime location. The Chairman also shared that the current price of The Cavendish London, and given the plans for renovation, presented more upside than downside for CLAS, which was expected to sufficiently mitigate further increases in interest rates. The Chairman concluded that when looking at the quality of assets, the Managers would consider whether the acquisition is accretive, whether there was potential for further accretion, and whether there were opportunities to crystallise further gains if CLAS were to divest the asset in the future.
- 3.50. The CEO added that acquisitions and divestments were not mutually exclusive and that the Managers would employ a multitude of portfolio management strategies. The CEO shared that broadly speaking, the Managers would perform acquisitions if they were accretive, perform divestments for CLAS' mature properties that had reached an optimal stage in the property life cycle with a good exit yield, as well as undertake asset enhancement initiatives. The CEO explained that these three types of initiatives were undertaken to increase CLAS' quality of earnings as well as capacity for NAV growth. The CEO then shared an example of CLAS' recent completion of the divestment of four regional French properties at a premium of 63% to book value and a 4% exit yield in September 2023. She explained to Stapled Securityholders that CLAS was recycling assets at an exit yield of 4% and entering into the Proposed Acquisitions at an entry yield of 6.2%, thereby resulting in a yield uplift.

- 3.51. Mr Harish asked a question about the impact of increased capitalisation rates globally and its impact on the book values of CLAS' properties as well as on the leverage ratios of CLAS. Mr Harish observed that property valuations had dropped globally and cited the example of U.S. office properties. Given that CLAS had properties in many different countries, Mr Harish queried how the Managers intended to manage such impacts.
- 3.52. The CEO first noted that Mr Harish's question was not directly related to the resolutions and informed Stapled Securityholders that the topic would be covered in more detail during the upcoming business updates for the third quarter of 2023. However, the CEO explained that the valuations of the Properties were conducted fairly recently and she did not expect their valuations to be substantially different from that of the year-end valuation. In respect of CLAS' overall portfolio, some expansion in capitalisation rates was expected, but the CEO highlighted that in the discounted cash flow method typically used to value properties, the operating revenue of the properties was considered as well. If the operating revenue remained healthy, it would help to mitigate an expansion in capitalisation rates and discount rates.
- 3.53. Mr Chong made a comment that interest rates were currently high, which might affect CLAS' profitability if the Managers moved forward with the Proposed Acquisitions and CLAS would have to accept the trade-off of having to pay higher debts.
- 3.54. The Chairman agreed and explained that that was why the Managers had performed sensitivity analyses to confirm that the Proposed Acquisitions were accretive, and that there was still additional room to buffer against incremental risks associated with the Proposed Acquisitions.
- 3.55. The CEO then shared details about CLAS' hedging strategy. The CEO first explained that CLAS' debts are taken in the same currency as the underlying properties, which hedges some of the foreign currency volatility on interest payments. The CEO then shared that a combination of the Managers' efforts such as sensitivity analyses, the hedging strategies in debt financing and some of the contract terms, including the minimum guaranteed income provisions, the Milestone Payments and co-sharing of capital expenditure for the renovation works, help to protect the interests of Stapled Securityholders.
- 3.56. Mr Goh Cheng Hong asked a question on whether it would be possible to vote on the acquisition of each of the Properties separately.

- 3.57. The Chairman responded that it would not be possible to vote on each acquisition separately and the Proposed Acquisitions had to be approved or rejected as a package.
- 3.58. The CEO agreed with the Chairman as the Proposed Acquisitions were inter-conditional and structured as a bundled deal. However, the CEO highlighted that in the Circular and in the CEO's presentation slides, the Managers had provided the metrics for each of the Properties, such as their individual valuation and the individual EBITDA yield both pre- and post-renovation (where relevant).
- 3.59. As there were no further questions on Ordinary Resolution 1, Chairman proceeded to put Ordinary Resolution 1 to vote. The results of the poll on Ordinary Resolution 1 were as follows:

For		Against	
No. of Stapled Securities	%	No. of Stapled Securities	%
920,320,800	99.67	3,033,660	0.33

Based on the results of the poll, the Chairman declared Resolution 1 carried.

4. **Ordinary Resolution 2: 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**
- 4.1. The Chairman explained that Ordinary Resolution 2 was to approve the renewal of the master lease agreements for three serviced residence properties in France (the "**Proposed French Master Lease Renewals**"), as interested person transactions, with the three master lease agreements being due for renewal on 31 December 2023.
- 4.2. The Chairman then informed Stapled Securityholders that the full text of the Resolution was set out in the Notice of EGM, and that further details of the Proposed French Master Lease Renewals had been set out in the Circular and Notice of EGM.
- 4.3. The Chairman invited questions and comments from the floor.

- 4.4. Mr Chong asked a question on how long the lease for each French master lease would be.
- 4.5. The CEO answered that the duration for each lease is 12 years.
- 4.6. As there were no further questions on Ordinary Resolution 2, the Chairman proceeded to put Resolution 2 to vote. The results of the poll on Ordinary Resolution 2 were as follows:

For		Against	
No. of Stapled Securities	%	No. of Stapled Securities	%
921,523,417	99.81	1,792,848	0.19

Based on the results of the poll, the Chairman declared Resolution 2 carried.

5. CLOSING ADDRESS

- 5.1. On behalf of the Trustee and the Boards, the Chairman thanked all present for their attendance and support. The Chairman also informed Stapled Securityholders that the results as well as the minutes of the Meeting would be published on SGXNet and on CLAS' corporate website. The Chairman declared the Meeting closed at 4.31pm.

CONFIRMED

Mr Tan Beng Hai, Bob
Chairman of the EGM