

LETTER TO STAPLED SECURITYHOLDERS

IN RELATION TO RESOLUTION 2



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)

28 March 2024

To: The Stapled Securityholders of CapitaLand Ascott Trust

Dear Sir/Madam

1. INTRODUCTION

1.1 Summary

We refer to the proposed Ordinary Resolution 2 ("**Resolution 2**") under the "Ordinary Business" section of the notice dated 28 March 2024 convening the annual general meeting of CapitaLand Ascott Trust ("**CLAS**"), a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (the "**REIT**") and CapitaLand Ascott Business Trust (the "**BT**"), to be held at The Star Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 and by electronic means on Friday, 19 April 2024 at 10.00 a.m. (Singapore Time) (the "**AGM**", and the notice, the "**Notice of AGM**").

Resolution 2 relates to the proposed appointment of Deloitte & Touche LLP ("**Deloitte**") as the auditors ("**Auditors**") of CLAS, to hold office until the conclusion of the next AGM of CLAS, in place of the retiring Auditors of CLAS, KPMG LLP ("**KPMG**"), and to authorise CapitaLand Ascott Trust Management Limited, as manager of the REIT (the "**REIT Manager**") and CapitaLand Ascott Business Trust Management Pte. Ltd., as trustee-manager of the BT (the "**BT Trustee-Manager**", together with the REIT Manager, the "**Managers**") to fix their remuneration (the "**Proposed Change of Auditors**").

1.2 This Letter

The purpose of this Letter is to provide the holders of the stapled securities in CLAS ("**Stapled Securities**", and the holders of the Stapled Securities, "**Stapled Securityholders**") with information relating to the above proposal which will be tabled at the AGM.

1.3 Advice to Stapled Securityholders

Stapled Securityholders should note that by approving Resolution 2 relating to the Proposed Change of Auditors, they will be approving the appointment of Deloitte as Auditors of CLAS in place of KPMG as the retiring Auditors of CLAS, and they will be authorising the Managers to fix their remuneration.

If a Stapled Securityholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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1.4 Singapore Exchange Securities Trading Limited (“SGX-ST”)

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Letter.

2. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS

2.1 Retirement of KPMG as Auditors

KPMG, the retiring Auditors, have served as the Auditors of the REIT for 18 years since 2006, and as the Auditors of CLAS for 5 years since 2019.¹ As part of CLAS’ ongoing good corporate governance initiatives, the directors of the Managers (the “**Directors**”) are of the view that it would be timely to effect a change in Auditors with effect from the financial year ending 31 December 2024. Further, the Managers of CLAS are both wholly-owned subsidiaries of CapitaLand Investment Limited, which is similarly proposing to change their Auditors from KPMG to Deloitte.

Deloitte was selected for the proposed appointment after the audit and risk committee of the Managers (the “**ARC**”) invited and evaluated competitive proposals from various audit firms. The ARC reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration the audit quality indicators listed in the Audit Quality Indicators Disclosure Framework introduced by the Accounting and Corporate Regulatory Authority (“**ACRA**”) and the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore, including factors such as the adequacy of the resources and experience of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm’s other engagements, the size and complexity of CLAS and its subsidiaries and the number and experience of supervisory and professional staff to be assigned. After evaluation, the ARC recommended that Deloitte be selected for the proposed appointment as new Auditors of CLAS.

In reviewing and deliberating on the Proposed Change of Auditors, the ARC is also satisfied that the requirements of Rule 712(1), Rule 712(2) and Rule 715 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) will be complied with. For the purpose of Rule 715(1) of the Listing Manual, Deloitte will also be appointed for all of CLAS’ Singapore-incorporated subsidiaries and significant associated companies. Pursuant to Rule 715(2) of the Listing Manual, CLAS must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. The member firms of Deloitte Touche Tohmatsu Limited will audit the financials of CLAS’ significant foreign-incorporated subsidiaries and associated companies.

The Directors have taken into account the ARC’s recommendation, including the factors considered in their evaluation, and are satisfied that Deloitte will be able to meet the audit requirements of CLAS. Accordingly, the Directors recommend the appointment of Deloitte as the Auditors of CLAS in place of the retiring auditors, KPMG.

The scope of audit services to be provided by Deloitte will be comparable to those currently provided by KPMG.

2.2 Information on Deloitte

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and legal, and related services. With more than 175 years of resolve and commitment to making a real difference, the Deloitte network has grown over the years in scale and diversity to its present size – approximately 457,000 people in 150 countries and territories, providing these services – yet its shared culture remains the same. Deloitte serves four out of five Fortune Global 500® companies.

In Singapore, services are provided by Deloitte & Touche LLP and other related entities in Singapore, which are affiliates of Deloitte Southeast Asia Ltd. Deloitte Southeast Asia Ltd is a member of Deloitte Asia Pacific Limited and of the Deloitte network. The size of the audit practice of Deloitte & Touche LLP in Singapore comprises over 900 partners and professional staff.

¹ CLAS is a stapled group comprising the REIT (formerly known as Ascott Residence Trust) and the BT which was formed following the combination between Ascott Residence Trust and Ascendas Hospitality Trust in 2019.

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Deloitte & Touche LLP is registered with ACRA. It is one of the largest professional services firms in Singapore today, and has a wide-ranging client base consisting of multinational companies, listed companies, private businesses and public sector organisations.

The audit partner who will be in charge of CLAS' audit is Ms Seah Gek Choo. She has more than 25 years of public accounting experience in Singapore and has extensive experience in audits of multinational and local companies in various industries with a focus on the real estate and hospitality industries. She has facilitated external seminars on updates to financial reporting standards.

Deloitte & Touche LLP's audit practice is subject to external inspections by ACRA where quality programmes and the performance of public interest entities' audits are inspected, and Ms Seah Gek Choo passed the ACRA reviews and Deloitte's internal inspections in the year she was selected.

For more information about Deloitte, please visit www.deloitte.com/about.

3. RULE 1203(5) OF THE LISTING MANUAL

The appointment of Deloitte will be effective upon obtaining the approval of Stapled Securityholders at the AGM for the Proposed Change of Auditors. If approved, Deloitte will hold office until the conclusion of the next AGM of CLAS.

In view of the above, KPMG will retire and not seek re-appointment as Auditors of CLAS at the AGM, being the end of their current term. The Directors wish to express their appreciation for the past services rendered by KPMG.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

- (a) the outgoing Auditors, KPMG, have confirmed that they are not aware of any professional reasons why the new Auditors, Deloitte, should not accept appointment as Auditors of CLAS;
- (b) the Managers confirm that there were no disagreements with the outgoing Auditors, KPMG, on accounting treatments within the last 12 months;
- (c) the Managers confirm that, other than as set out above, they are not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Stapled Securityholders;
- (d) the specific reasons for the Proposed Change of Auditors are disclosed in this Letter and in the Notice of AGM. The Proposed Change of Auditors is not due to (i) the resignation of KPMG as Auditors of CLAS, (ii) KPMG declining to stand for re-appointment, (iii) the dismissal of KPMG as Auditors of CLAS, or (iv) a direction by the SGX-ST for KPMG to be replaced under Rule 1405(1)(fb) of the Listing Manual; and
- (e) the Managers confirm that Rule 712 and Rule 715 of the Listing Manual are complied with in relation to the appointment of Deloitte.

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4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, CLAS and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED
(Registration Number: 200516209Z)
as manager of CapitaLand Ascott Real Estate Investment Trust

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
(Registration Number: 201925299R)
as trustee-manager of CapitaLand Ascott Business Trust

TAN BENG HAI, BOB
Chairman and Non-Executive Independent Director

Singapore
28 March 2024

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IMPORTANT NOTICE

The value of 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, the Managers or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Stapled Securityholders have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities. The past performance of CLAS is not indicative of the future performance of CLAS. Similarly, the past performance of the Managers are not indicative of the future performance of the Managers.

This Letter may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view on future events.

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GLOSSARY

ACRA	:	The Accounting and Corporate Regulatory Authority
AGM	:	The annual general meeting of Stapled Securityholders to be held at The Star Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 and by electronic means on Friday, 19 April 2024 at 10.00 a.m., to approve the matters set out in the Notice of AGM
ARC	:	The audit and risk committee of the Managers
Auditors	:	Auditors
BT	:	CapitaLand Ascott Business Trust
BT Deed	:	The trust deed dated 9 September 2019 constituting the BT, as amended, varied, or supplemented from time to time
BT Trustee-Manager	:	CapitaLand Ascott Business Trust Management Pte. Ltd., in its capacity as trustee-manager of the BT
CDP	:	The Central Depository (Pte) Limited
CLAS	:	CapitaLand Ascott Trust
Deloitte	:	Deloitte & Touche LLP
Directors	:	Directors of the Managers
KPMG	:	KPMG LLP
Letter	:	This Letter dated 28 March 2024
Listing Manual	:	The Listing Manual of the SGX-ST
Managers	:	The REIT Manager and BT Trustee-Manager
Notice of AGM	:	The notice dated 28 March 2024 convening the AGM
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Trust Deeds
Proposed Change of Auditors	:	The proposed appointment of Deloitte as the Auditors of CLAS, to hold office until the conclusion of the next AGM of CLAS, in place of the retiring Auditors of CLAS, KPMG, and to authorise the Managers to fix their remuneration
REIT	:	CapitaLand Ascott Real Estate Investment Trust
REIT Deed	:	The trust deed dated 19 January 2006 constituting the REIT, as amended, varied, or supplemented from time to time
REIT Manager	:	CapitaLand Ascott Trust Management Limited, in its capacity as manager of the REIT
Resolution 2	:	The proposed Ordinary Resolution 2 under the "Ordinary Business" section of the Notice of AGM

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- SGX-ST** : Singapore Exchange Securities Trading Limited
- Stapled Securityholders** : The registered holders for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “**Stapled Securityholder**” shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Stapled Securities
- Stapling Deed** : The stapling deed dated 9 September 2019 entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager, as amended, varied, or supplemented from time to time
- Trust Deeds** : The REIT Deed, the BT Deed and the Stapling Deed

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Letter shall be a reference to Singapore time unless otherwise stated.

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