



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

THE PROPOSED ACQUISITION OF 100.0% OF THE ISSUED UNITS IN VICTORY SR TRUST WHICH DIRECTLY HOLDS 100.0% OF THE INTEREST IN LYF FUNAN SINGAPORE, AND ENTRY INTO THE MASTER LEASE, AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott Real Estate Investment Trust (“**CapitaLand Ascott REIT**”, and the manager, the “**REIT Manager**”)) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott Business Trust (“**CapitaLand Ascott BT**”), as the managers (the “**Managers**”) of CapitaLand Ascott Trust (“**CLAS**”) are pleased to announce that a conditional unit purchase agreement (the “**Unit Purchase Agreement**”) has been entered into between DBS Trustee Limited, as the trustee of CapitaLand Ascott REIT (the “**REIT Trustee**”) and Victory SR Pte. Ltd. (the “**Vendor**”) to acquire 100.0% of the issued units in Victory SR Trust (“**VSRT**”), which directly holds 100.0% of the interest in Lyf Funan Singapore, 67 Hill Street, Level 4 Funan, Singapore 179370 (the “**Property**”, and the acquisition, the “**Proposed Acquisition**”).

A master lease (the “**Master Lease**”) will also be entered into in relation to the Property, upon completion of the Proposed Acquisition (the entry into the Master Lease together with Proposed Acquisition, the “**Proposed Transactions**”).

A circular (“**Circular**”) will be issued to the holders of the stapled securities in CLAS (“**Stapled Securityholders**”, and the stapled securities in CLAS, “**Stapled Securities**”) in due course, for the purpose of seeking the approval of Stapled Securityholders for the Proposed Transactions.

2. INFORMATION ON THE PROPERTY

lyf Funan Singapore is located in the heart of Singapore's Civic District, within an integrated development, Funan. The property enjoys excellent connectivity, including a direct underpass linking to City Hall Mass Rapid Transit ("MRT") interchange station. It is in proximity to an array of business and entertainment attractions, and surrounded by various landmarks including heritage sites and art galleries.

The table below sets out a summary of selected information on the Property:

Lodging type	Hotel	
Address	67 Hill Street, Level 4 Funan, Singapore 179370	
Master lessee	An entity which is a wholly owned subsidiary of The Ascott Limited	
Number of rooms	329	
Gross floor area	Approximately 11,347.4 sq m	
Year built	2019	
Title	Leasehold tenure expiring on 11 December 2078 (approximately 54 years remaining)	
Independent Valuer (as defined herein)	SG&R Singapore Pte Ltd ("HVS")	Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers")
Valuer commissioned by	REIT Manager	REIT Trustee
Date of Valuation	30 June 2024	30 June 2024
Valuation method	Discounted cash flow method	Discounted cash flow method
Valuation	S\$265.0 million	S\$271.0 million
Agreed Property Value (as defined herein)	S\$263.0 million	
Purchase consideration	S\$146.4 million ⁽¹⁾	

Notes:

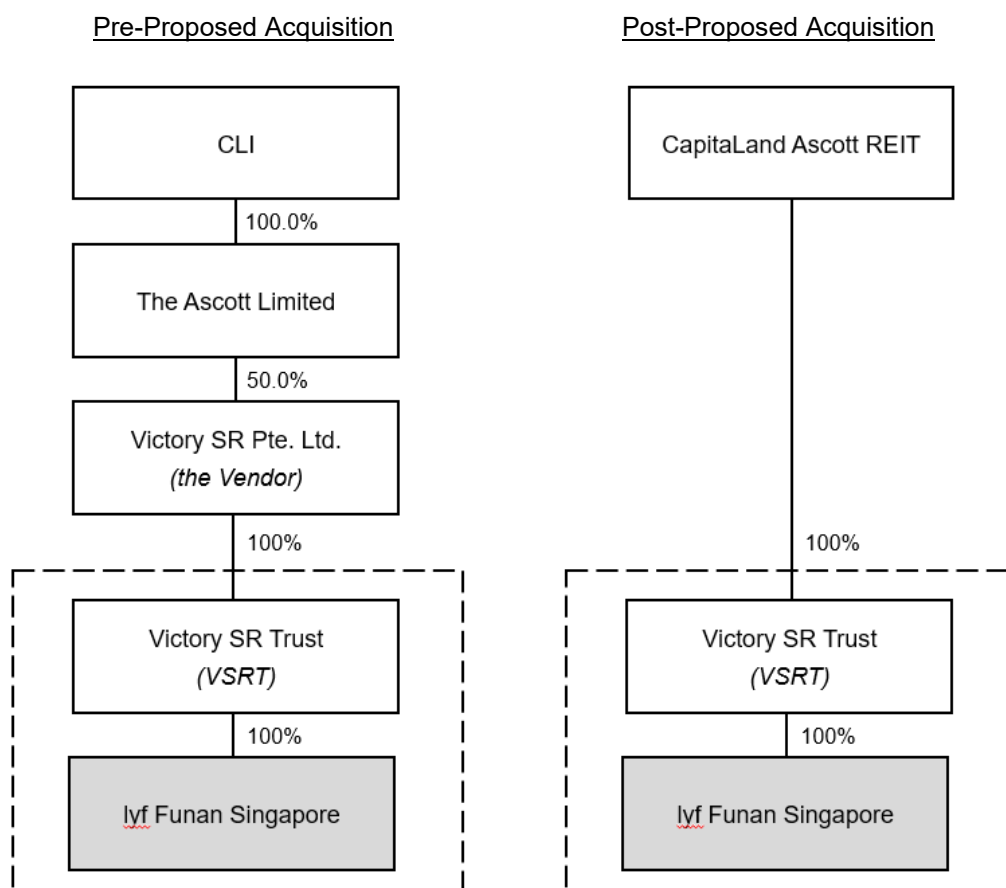
(1) See paragraph 3.1 of the Announcement for further details including the repayment of Existing Facility (as defined herein) of S\$113.0 million.

3. DETAILS OF THE PROPOSED TRANSACTIONS

3.1 Structure of the Proposed Transactions

The REIT Trustee entered into the Unit Purchase Agreement with the Vendor to acquire 100.0% of the issued units in VSRT, which directly holds 100.0% of the interest in the Property. lyf Funan Singapore is part of Funan Singapore, and the share value allocated to the Property in relation thereto is 1,275 out of 10,000 shares.

A diagrammatic illustration of the Proposed Acquisition is as follows¹:



The estimated purchase consideration (the “**Purchase Consideration**”) of S\$146.4 million payable to the Vendor by the REIT Trustee in connection with the Proposed Acquisition is based on: (a) the net asset value (“**NAV**”) of VSRT of S\$149.4 million as at 30 June 2024, which takes into account the agreed property value of the Property (the “**Agreed Property Value**”) of S\$263.0 million; and (b) agreed adjustments to the NAV². The Purchase Consideration is subject to completion adjustments.

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

The REIT Trustee will enter into a new facility agreement (the “**New Facility Agreement**”), which will be drawn down concurrent with completion of the Proposed Acquisition to repay the existing S\$113.0 million facility (the “**Loan Repayment Amount**”) taken out by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of VSRT) (the “**VSRT Trustee**”, and the existing facility, the “**Existing Facility**”).

1 The diagrammatic illustration is a simplified holding chart to show the structure of the transaction and the relationship between the parties. Accordingly, some of the intermediate holding entities are not represented in the diagrammatic illustration.

2 Adjustments comprise amounts set aside for capital expenditure and tax.

Upon completion of the Proposed Acquisition, the VSRT Trustee, as the master lessor, will enter into the Master Lease with an entity which is a wholly owned subsidiary of The Ascott Limited, as the master lessee (the “**Master Lessee**”), in relation to the Property.

On the date of completion of the Proposed Acquisition, a deed of appointment and retirement of the manager will be entered into between the VSRT Trustee, CapitaLand Fund Management Pte. Ltd. (in its capacity as the existing manager of VSRT) (the “**Existing VSRT Manager**”) and the REIT Manager, with the Existing VSRT Manager retiring as manager of VSRT and the REIT Manager appointed as the new manager of VSRT. There are no management fees paid pursuant to the trust deed constituting VSRT, as the REIT Manager will only be paid its fees in relation to VSRT pursuant to the CapitaLand Ascott REIT Trust Deed (as defined herein).

3.2 Valuation

The REIT Manager has commissioned an Independent Valuer, HVS, to value the Property as at 30 June 2024 using the Discounted Cash Flow method, and the REIT Trustee has commissioned another Independent Valuer, Colliers (together with HVS, the “**Independent Valuers**”), to value the Property as at 30 June 2024 using the Discounted Cash Flow method. HVS has valued the Property at S\$265.0 million. Colliers has valued the Property at S\$271.0 million.

3.3 Certain Terms and Conditions of the Unit Purchase Agreement

The terms of the Unit Purchase Agreement include, among others, the following:

- 3.3.1** The conditions precedent for completion of the Proposed Acquisition shall include, among others, the following:
- (i) title to the units in VSRT and the Property being in order and free from (a) any encumbrances affecting the title to the units in VSRT or the Property on completion of the Proposed Acquisition and (b) any easements or restrictive covenants affecting the title to the units in VSRT or the Property on completion of the Proposed Acquisition, save for such easements or restrictive covenants affecting the title to the units in VSRT or the Property as disclosed in the documents provided by the Vendor to the REIT Trustee and its professional advisors for the purpose of the REIT Trustee’s due diligence investigation of VSRT, or in the title and lot base searches conducted electronically by the REIT Trustee on the Singapore Land Authority’s Integrated Land Information Service and the Singapore Titles Automated Registration System in respect of the Property on the date falling one (1) Business Day prior to the date of the Unit Purchase Agreement;
 - (ii) the approval of the Stapled Securityholders at an extraordinary general meeting to be convened;
 - (iii) the REIT Trustee obtaining the approval of the Inland Revenue Authority of Singapore (“**IRAS**”) for VSRT to be an approved sub-trust of CapitaLand Ascott REIT for tax transparency; and

- (iv) the REIT Trustee obtaining the approval of IRAS that the sale and purchase or the transfer of 100.0% of the issued units in VSRT will not attract any stamp duty (including but not limited to buyer stamp duty and additional conveyance duty).

3.3.2 The Unit Purchase Agreement may be terminated by the REIT Trustee if:

- (i) the REIT Trustee receives an unsatisfactory legal requisition reply on or before the completion of the Proposed Acquisition;
- (ii) there is an acquisition or notice of acquisition or intended acquisition by the government or other competent authority affecting the whole or ten percent (10%) or more of the strata area of the Property; or
- (iii) there is a material damage to the Property.

3.3.3 The Vendor has entered into the Unit Purchase Agreement in reliance and conditional upon the REIT Trustee having obtained a warranty and indemnity insurance policy (the "**W&I Policy**"), which provides insurance coverage against any loss arising out of or in connection with a breach of any of the warranties (including property-related warranties) or tax indemnities up to a certain cap¹.

3.3.4 Each of the REIT Trustee and the Vendor is liable for 50% of all premiums payable in respect of the W&I Policy (plus all brokerage fees, commissions, taxes and duty and any other amounts payable to bring the W&I Policy into effect), and the Vendor must pay such amount in full on or before the date of completion of the Unit Purchase Agreement and provide evidence of such payment to the REIT Trustee.

3.3.5 The REIT Trustee will not be entitled to make, will not make, and hereby irrevocably waives any right it may have to make, any claim, demand, legal proceedings or cause of action against the Vendor arising out of or in connection with a breach of any warranty or tax indemnity (save in the case of fraud by the Vendor), irrespective of whether or not the W&I Policy covers or responds to such claim, demand, legal proceedings or cause of action and regardless of the extent to which it is able to recover the amount of such a claim, demand, legal proceedings or cause of action from the insurer, except only to the extent required to permit a claim, demand, legal proceedings or cause of action against the insurer but only on the basis that the Vendor will have no liability whatsoever for such claim, demand, legal proceedings or cause of action. Save in the case of fraud by the Vendor, the sole and exclusive remedy of the REIT Trustee arising out of or in connection with a breach of any warranty or tax indemnity shall be under the W&I Policy.

3.4 Completion

Completion of the Proposed Acquisition is expected to take place by 4Q 2024².

1 The value of the claim under the W&I Policy must be above a minimum sum of S\$263,000 before there is any payout from the W&I Policy.

2 While the target date for completion is 4Q 2024, the long stop date for completion is 28 February 2025 or such later date as the parties to the Unit Purchase Agreement may agree.

3.5 Certain Terms and Conditions of the Master Lease

Upon completion of the Proposed Acquisition, the VSRT Trustee, as the master lessor, will enter into the Master Lease with the Master Lessee, a wholly owned subsidiary of The Ascott Limited, in relation to the Property for use as a hotel.

The terms of the Master Lease include, among others, the following:

- 3.5.1 The Master Lease is for an initial term of 20 years from the date of completion of the Proposed Acquisition, and such term is renewable for a further five-year period upon mutual agreement by the parties.
- 3.5.2 The rent payable by the Master Lessee to the VSRT Trustee shall be 93.5% of the gross operating profit in relation to the Property (the “**GOP**”), and in the case the GOP is negative, the rent payable shall be zero. Any expenditure for renovations, alterations, rebuilding, replacements, additions and improvements in and to the Property will be presented as part of the annual business plan to the VSRT Trustee for review and approval.
- 3.5.3 The VSRT Trustee shall be responsible for capital expenditure and/or replacements in respect of the furniture, furnishings, fixtures, equipment located in or used in connection with the Property.
- 3.5.4 The operating expenses of the Property (included in the calculation of GOP) and certain other expenses in relation to the operations of the hotel, are to be borne by the Master Lessee and include (i) various fees comprising, *inter alia*, the fees for providing the Ascott BITS¹, the global marketing services and trademark, the global reservation services, the Ascott Loyalty Programme² and other shared services (including centralised cluster services) and (ii) the salaries, wages, and benefits of employees for duties that relate to the operation of the Property.
- 3.5.5 The termination provisions include, among others, the following:
 - (i) Either party to the Master Lease shall have the right of termination without compensation in the event of force majeure materially affecting the operational performance of the Property for a period exceeding 12 months.
 - (ii) The Master Lessee shall have the option to terminate the Master Lease without any compensation in the event of a sale of the Property to an unrelated party of the REIT Manager.
 - (iii) The VSRT Trustee shall have the right of termination without compensation in the event of under-performance, where the actual GOP is less than 80% of the annual GOP as forecasted in the annual business plan for two consecutive fiscal years. The Master Lessee shall have the option to cure

1 The “**Ascott BITS**” refers to the computer modular programmes (available as at the date of the Master Lease) which are owned by, or licensed to, and developed by or for the Master Lessee, and used in connection with the management and operation of the Property.

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.

such under-performance based on conditions as set out in the Master Lease.

- (iv) The VSRT Trustee shall also have the option to terminate the Master Lease in the event of a sale or redevelopment, subject to compensation being provided. Such compensation will be calculated based on the remaining lease tenure in years (subject to a maximum of five years) multiplied by 6.5% of the average annualised GOP 24 months prior to termination. No termination compensation shall apply in the event of a redevelopment 13 years after the commencement date of the Master Lease.
- (v) The VSRT Trustee shall have the right of termination without compensation if there is a notice, order or gazette notification issued, made or published in respect of the intended or actual acquisition of the Property.

3.5.6 The Master Lessee shall submit to the VSRT Trustee for its approval the proposed annual business plan in relation to the Property prior to the beginning of each fiscal year. In the event that the Master Lessee and the VSRT Trustee cannot agree on the annual business plan, such plan would be submitted to an expert for its final determination. Such expert shall be from a panel as agreed by the parties to the Master Lease.

3.6 Total Acquisition Outlay

The total acquisition outlay (the “**Total Acquisition Outlay**”) is approximately S\$265.1 million, comprising:

- (i) the estimated Purchase Consideration of S\$146.4 million, subject to completion adjustments;
- (ii) the Loan Repayment Amount of S\$113.0 million;
- (iii) an acquisition fee payable in Stapled Securities to the REIT Manager pursuant to the Trust Deeds¹ for the Proposed Acquisition (the “**Acquisition Fee**”) of approximately S\$2.6 million (being 1.0% of the Enterprise Value² of S\$259.4 million)³; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CLAS in connection with the Proposed Acquisition (inclusive of debt financing-related expenses) of approximately S\$3.1 million.

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

2 As defined in the CapitaLand Ascott REIT Trust Deed, 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. In the case of the Proposed Acquisition, the units in VSRT are being acquired by CapitaLand Ascott REIT, thus “**Enterprise Value**” in this context shall mean the sum of the equity value and the total net debt attributable to the units in VSRT being acquired by CapitaLand Ascott REIT.

3 As the Proposed Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, 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.

3.7 Method of Financing

The Managers intend to finance the Total Acquisition Outlay (excluding the Acquisition Fee of approximately S\$2.6 million) with:

- (i) approximately S\$142.8 million from the divestment proceeds from CLAS' divestment of Citadines Mount Sophia Singapore which was completed in March 2024 (the "**Citadines Mount Sophia Divestment**"); and
- (ii) approximately S\$119.7 million from debt financing, which includes the amount drawn down under the New Facility Agreement to repay the Existing Facility.

Based on CLAS' Aggregate Leverage¹ as at 30 June 2024 and taking into account the Proposed Acquisition, CLAS' Aggregate Leverage will be at 39.1%, below the aggregate leverage limit of 45.0%² set by the Monetary Authority of Singapore ("**MAS**") under Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") issued by the MAS.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

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

4.1 Enhancing distribution per Stapled Security ("**DPS**") through portfolio reconstitution

The Proposed Acquisition is in line with CLAS' portfolio reconstitution strategy. CLAS proactively pursues investment, divestment and asset enhancement opportunities to enhance the quality of the portfolio and sustainability of returns to its Stapled Securityholders.

Through the Proposed Acquisition, CLAS will be reinvesting the proceeds from the Citadines Mount Sophia Divestment at higher yields.

The earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") yield³ of the Proposed Acquisition is 4.7% on a pro forma basis for the financial year ended 31 December 2023 ("**FY 2023**"). The entry yield is attractive at 150 basis points higher compared to the exit EBITDA yield⁴ of Citadines Mount Sophia Singapore of 3.2% for FY 2023.

Following the Proposed Acquisition and taking into account the Citadines Mount Sophia Divestment, CLAS' total distribution is expected to increase by S\$3.5 million, which translates to a DPS accretion of 1.5% on a FY 2023 pro forma basis.

1 "**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.

2 Under the Property Funds Appendix, CLAS' Aggregate Leverage may exceed the 45% limit (up to a maximum of 50%) only if CLAS has a minimum adjusted interest coverage ratio of 2.5 times.

3 Computed based on the Agreed Property Value.

4 Computed based on the divestment price of S\$148.0 million.

4.2 Increasing exposure to a key gateway city with favourable demand-supply dynamics

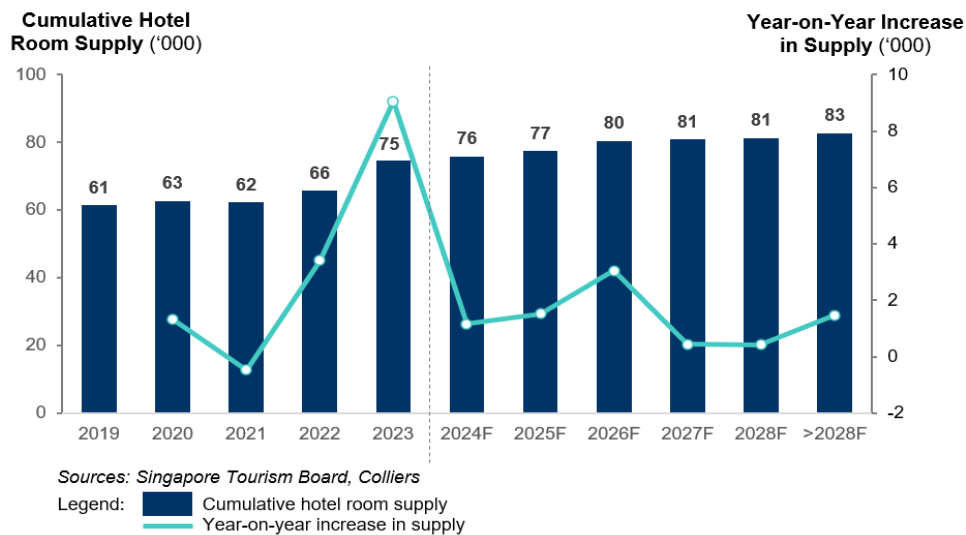
Singapore’s hotel industry performance in 2023 was robust, driven by stronger demand for leisure and business travel. According to the Singapore Tourism Board, the market revenue per available room (“**RevPAR**”) of Singapore hotels exceeded 2019 levels by 16%, driven by significant outperformance in average daily rates. Average occupancy was 80%, compared to 86.9% in 2019¹.



The recovery of the travel sector is expected to continue in 2024, on the back of improved global flight connectivity and capacity as well as the implementation of visa-free travel arrangements². For the first eight months of 2024, the Singapore hotel market RevPAR increased 3.4% year-on-year³. Singapore is set to maintain its status as a global hub, as inbound travel demand continues to be boosted by new attractions and infrastructure projects scheduled to complete between now and 2030.

The demand-supply dynamics of the Singapore hospitality market are favourable over the medium term, as the growth in demand is expected to outpace that of supply. New room supply in Singapore is expected to be muted beyond 2024, at a compound annual growth rate (“**CAGR**”) of 1.8%, lower than the CAGR of 3.3% from 2015 to 2019⁴.

1 Source: Singapore Tourism Analytics Network (September 2024).
 2 Source: Singapore Tourism Board (February 2024) - Singapore’s tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts.
 3 Source: Singapore Tourism Analytics Network (September 2024).
 4 Source: Colliers (2024) – Market Research Report.



After completion of the Proposed Acquisition, CLAS will have five properties in Singapore. The proportion of CLAS' total assets in Singapore is expected to increase from 16% as at 30 June 2024 to 19% after the completion of the Proposed Acquisition. CLAS remains geographically diversified, with each of its key markets currently comprising no more than 20% of its total assets. Income contribution from Singapore balances the contribution from CLAS' overseas markets.

4.3 Prime asset in an attractive location

lyf Funan Singapore is located in the heart of Singapore's Civic District. It is in proximity to an array of business and entertainment attractions, and surrounded by various iconic landmarks, including heritage sites and art galleries.

lyf Funan Singapore sits within Funan, an integrated development which reopened in 2019 after a redevelopment. Apart from lyf Funan Singapore, the complex also comprises an experiential retail hub and two office blocks. The retail component offers lyf Funan Singapore's guests a plethora of shopping, dining and entertainment options while the office component drives corporate bookings to the Property.

Funan enjoys excellent connectivity to public transportation, including a direct underpass linking to City Hall MRT interchange station. It is also within a five- to 12- minute walk to three other MRT stations, namely Clarke Quay MRT station, Esplanade MRT station and Fort Canning MRT station.

lyf Funan Singapore has a Green Mark Gold^{PLUS} certification by the Building and Construction Authority, in line with CLAS' target to green 100.0% of its portfolio by 2030. The Property has also been awarded the Global Sustainable Tourism Council certification in 2024.

4.4 Flagship lyf property with the ability to capture a wide range of demand

lyf Funan Singapore is the flagship property of The Ascott Limited's lyf (or 'live your freedom') brand. Operating on a flex-hybrid hotel-in-residence model, the lyf brand is tailored for the next-generation traveller with its dynamic design, flexible spaces and well-curated programmes, connecting guests with the city, its people, and its culture.

Experience-led social living, which the lyf brand is synonymous with, has seen resilience and rising demand. lyf Funan Singapore is well positioned to tap on this growing accommodation trend, being the largest lyf property in Singapore.

lyf

Experience-led social living as seen in lyf (pronounced 'life'), focuses on fostering a sense of community through shared, dynamic experiences.

It goes beyond traditional housing by encouraging social interaction, collaboration, and engagement through community-driven spaces, events, and activities.

This approach enhances daily living with immersive experiences, promoting personal connections and social growth among residents.

Community + crew

Stay-work-play social spaces

#lyfgoesLOCAL

Design-centric hotel-in-residences

Flagship lyf property

- lyf Funan Singapore is the flagship property of The Ascott Limited's lyf (or 'live your freedom') brand
- The lyf brand is tailored for the next-generation traveller with its dynamic design, flexible spaces and well-curated programmes, connecting guests with the city, its people, and its culture
- Experience-led social living, which the lyf brand is synonymous with, has seen resilience and rising demand

lyf Funan Singapore has a hotel licence which allows it to cater to different guest profiles including corporate and leisure travellers for a range of short to extended stays. The Property features a range of room types, from studios ideal for solo or duo travellers, to larger apartments accommodating up to nine guests, which are suitable for corporate project groups or larger families. Corporate bookings currently make up about 15% of the total reservations for the four and six-bedroom apartments.

lyf Funan Singapore has achieved a strong average occupancy rate of more than 80%. Testament to its excellent location, ability to cater to a wide range of demand and strong positioning, the Property's performance in the first half of 2024 surpassed that of comparable properties in its sub-market¹.

The addition of another prime lyf property into the portfolio will position CLAS for further growth as travel continues to recover. The other lyf-branded property in CLAS' portfolio, lyf one-north Singapore, which opened in 2022, is also seeing robust demand with a similar average occupancy rate².

5. PRO FORMA FINANCIAL EFFECTS

5.1 Assumptions

The pro forma financial effects of the Proposed Transactions 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 2023 (the "**2023 Audited Consolidated Financial Statements**"), taking into account the Agreed Property Value and assuming that:

¹ Source: Extracted from STR Database.

² For 1H 2024.

- (i) the estimated Purchase Consideration of the Proposed Acquisition is S\$146.4 million;
- (ii) approximately S\$142.8 million from the divestment proceeds from the Citadines Mount Sophia Divestment is used to partially fund the estimated Purchase Consideration;
- (iii) the existing debts of VSRT of S\$113.0 million is assumed to be repaid with the amount drawn under the New Facility Agreement at an all-in interest rate of 3.5%;
- (iv) approximately 2.6 million Stapled Securities are issued as payment of the Acquisition Fee payable to the REIT Manager at an illustrative issue price of S\$0.99 per Stapled Security;
- (v) the REIT Manager's management fees, including the base management fee and the performance management fee, will be paid 100.0% in the form of Stapled Securities; and
- (vi) transactions undertaken by CLAS that were not completed as at 31 December 2023 (namely, the divestment of three hotels in Japan, two hotels in Australia, and the acquisition of a rental housing property in Japan) are not taken into account in determining the pro forma financial effects.

5.2 Pro Forma DPS and Distribution Yield

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed Transactions and the Citadines Mount Sophia Divestment on CLAS' DPS and distribution yield for FY 2023, as if the Proposed Transactions and the Citadines Mount Sophia Divestment were completed on 1 January 2023.

	Before the Proposed Transactions	Before the Proposed Transactions, and adjusted for the Citadines Mount Sophia Divestment	After the Proposed Transactions and the Citadines Mount Sophia Divestment
Total Distribution (S\$'000)	237,009 ⁽¹⁾	232,238	240,531
Number of Stapled Securities in issue ('000)	3,763,304 ⁽²⁾	3,763,030	3,766,238 ⁽³⁾
DPS (Singapore cents)	6.57	6.44	6.67
Distribution Yield (%)	6.6 ⁽⁴⁾	6.5	6.7 ⁽⁴⁾

Notes:

- (1) Based on the 2023 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2023.
- (3) Adjusted to: (a) include approximately 2.6 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 5.1(iv) of this Announcement); (b) include approximately 0.6 million new Stapled Securities issued as payment of the REIT Manager's management fees for the Proposed Transactions; and (c) exclude approximately 0.3 million Stapled Securities issued as payment of the REIT Manager's management fees for Citadines Mount Sophia Singapore. The Stapled Securities issued as payment of the REIT Manager's management fees were assumed to be issued at the same prices as those that were actually issued as payment for the REIT Manager's management fees for FY 2023.

(4) Based on the closing Stapled Security price of S\$0.99 on 31 December 2023.

5.3 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed Transactions on the consolidated NAV of CLAS as at 31 December 2023, as if the Proposed Transactions were completed on 31 December 2023.

	Before the Proposed Transactions	Before the Proposed Transactions, and adjusted for the Citadines Mount Sophia Divestment	After the Proposed Transactions and the Citadines Mount Sophia Divestment
NAV (S\$'000)	4,356,353 ⁽¹⁾	4,375,156	4,377,750
Number of Stapled Securities in issue ('000)	3,763,304 ⁽²⁾	3,763,304	3,765,924 ⁽³⁾
NAV per Stapled Security (S\$)	1.16	1.16	1.16

Notes:

- (1) Based on the 2023 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2023.
- (3) Adjusted to include approximately 2.6 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 5.1(iv) of this Announcement).

6. REQUIREMENT FOR STAPLED SECURITYHOLDERS' APPROVAL

6.1 Discloseable Transaction

Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST", and the Listing Manual, 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, as set out in Rule 1004 of the Listing Manual: (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 the net profits of CLAS and its subsidiaries (the "CLAS Group"); and
- (ii) the aggregate value of the consideration given, compared with CLAS' 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 6.1(i) (i.e. Rule 1006(b) of the Listing Manual) exceeds the relevant 20.0% threshold.

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

Comparison of	Proposed Acquisition	CLAS	Relative figure
Net profits, compared with the CLAS Group's net profits (S\$ million)	3.1 ⁽¹⁾	84.3 ⁽²⁾	3.7%
Consideration, compared with CLAS' market capitalisation (S\$ million)	259.4 ⁽³⁾	3,664.1 ⁽⁴⁾	7.1%

Notes:

- (1) The figure is based on the unaudited consolidated net profit before tax of VSRT for the six-month period ended 30 June 2024.
- (2) The figure is based on the unaudited results of the CLAS Group for the six-month period ended 30 June 2024.
- (3) The figure comprises the Purchase Consideration and the Loan Repayment Amount.
- (4) The figure is based on the weighted average price of S\$0.9664 as at 27 September 2024, being the market day preceding the date of the Unit Purchase Agreement.

As seen in the table above, one of the relative figures exceeds the 5.0% threshold for a discloseable transaction but does not exceed the 20.0% threshold for a major transaction. As such, the Proposed Acquisition constitutes a “discloseable transaction” under Rule 1010 of the Listing Manual (read with Rule 1006 of the Listing Manual), but does not constitute a “major transaction” under Rule 1014(1) of the Listing Manual (read with Rule 1006 of the Listing Manual).

For the reasons explained in paragraph 6.2, the Proposed Acquisition would still be subject to Stapled Securityholders' approval under Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

6.2 Interested Person Transaction and Interested Party Transaction

As at the date of this Announcement, CapitaLand Investment Limited (“**CLI**”), through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,093,498,700 Stapled Securities, which comprises approximately 28.84% of the total number of Stapled Securities in issue as at the date of this Announcement¹, and is therefore regarded as a controlling Stapled Securityholder within the meaning of the Listing Manual and the Property Funds Appendix (a “**Controlling Stapled Securityholder**”)² of CLAS under both the Listing Manual and the Property Funds Appendix.

In addition, as the Managers are each a wholly owned subsidiary of CLI, CLI is regarded as a controlling shareholder (a “**Controlling Shareholder**”)³ of each of the Managers under both the Listing Manual and the Property Funds Appendix.

- 1 Based on a total number of 3,791,507,447 Stapled Securities in issue as at the date of this Announcement.
- 2 A person who: (a) holds directly or indirectly, 15.0% or more of the total voting rights in CLAS. The SGX-ST may determine that such a person is not a controlling Stapled Securityholder; or (b) in fact exercises control over CLAS.
- 3 A person who: (a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The SGX-ST may determine that such a person is not a controlling shareholder; or (b) in fact exercises control over a company.

6.2.1 Proposed Acquisition as an Interested Person Transaction and an Interested Party Transaction

The Vendor is indirectly 50.0% owned by 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 Vendor (being an associate of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” and (for the purpose of the Property Funds Appendix) an “interested party” of CLAS.

Therefore, the Proposed Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Stapled Securityholders will be required if the relevant thresholds are met.

6.2.2 Proposed entry into the Master Lease as an Interested Person Transaction

The Master Lessee 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, the Master Lessee (being an associate of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” of CLAS.

Therefore, the entry into the Master Lease will constitute an “interested person transaction” under Chapter 9 of the Listing Manual, in respect of which the approval of Stapled Securityholders will be required if the relevant thresholds are met.

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Proposed Acquisition and the Master Lease.

6.2.3 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 2023 Audited Consolidated Financial Statements, the NTA of the CLAS Group was S\$4,356.4 million (represented by Stapled Securityholders’ funds) as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CLAS with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person

during the current financial year, equal to or exceeds of S\$217.8 million, such a transaction would be subject to Stapled Securityholders' approval.

Given that:

- (i) the estimated Purchase Consideration of the Proposed Acquisition is S\$146.4 million and the Loan Repayment Amount is S\$113.0 million; and
- (ii) the aggregate value of the rent under the Master Lease is S\$344.4 million, the value of the Proposed Transactions is approximately S\$603.8 million, representing approximately 13.9% of the CLAS Group's latest audited NTA.

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

6.2.4 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's latest audited NAV.

Based on the 2023 Audited Consolidated Financial Statements, the NAV of CapitaLand Ascott REIT was S\$3,696.2 million (represented by Stapled Securityholders' funds) as at 31 December 2023. 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\$184.8 million, such a transaction would be subject to Stapled Securityholders' approval.

The estimated Purchase Consideration to be entered into by CapitaLand Ascott REIT is S\$146.4 million and the Loan Repayment Amount is S\$113.0 million, representing approximately 7.0% of CapitaLand Ascott REIT's latest audited NAV.

As this value exceeds 5.0% of the NAV of CapitaLand Ascott REIT, the Proposed Acquisition is subject to Stapled Securityholders' approval under Paragraph 5 of the Property Funds Appendix.

6.2.5 Other Interested Person Transactions

As at the date of this Announcement, other than the Proposed 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\$46.6 million (which is approximately 1.1% of the CLAS Group's latest audited NTA). Save as described above, there are no other interested person transactions entered into with CLI and its subsidiaries and associates or any other interested person of CLAS during the course of the financial year.

6.3 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.

As at the date of this Announcement, all of the directors of the Managers collectively hold an aggregate direct interest in 4,263,319 Stapled Securities and certain directors of the Managers collectively hold an aggregate direct interest in 1,931,684 ordinary shares of CLI.

As at the date of this Announcement, CLI, through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,093,498,700 Stapled Securities, which comprises approximately 28.84% of the total number of Stapled Securities in issue as at the date of this Announcement¹.

Save as disclosed in this Announcement and based on the information available to the Managers as at the date of the Announcement, none of the Directors or the Substantial Stapled Securityholders² has an interest, direct or indirect, in the Proposed Transactions.

6.4 Directors' Service Contracts

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

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

7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER AND STATEMENT OF THE INDEPENDENT DIRECTORS, THE AUDIT AND RISK COMMITTEE

The REIT Manager has appointed PricewaterhouseCoopers 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 REIT Manager, the Audit and Risk committee of the REIT Manager and the REIT Trustee in relation to the Proposed Transactions.

The Audit and Risk Committee of the REIT Manager will obtain the opinion from the IFA on the Proposed Transactions before forming its view as to whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

The opinion of the IFA as to whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders will be disclosed in the Circular.

¹ Based on a total number of 3,791,507,447 Stapled Securities in issue as at the date of this Announcement.

² "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.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers¹ 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 Unit Purchase Agreement;
- (ii) the independent valuation report on the Property issued by HVS; and
- (iii) the independent valuation report on the Property issued by Colliers.

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

BY ORDER OF THE BOARD

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED

(Company Registration No. 200516209Z)

As manager of 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

1 October 2024

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

Important Notice

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

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