



## ASCOTT RESIDENCE TRUST

(A real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

Managed by  
**Ascott Residence Trust  
Management Limited**

(Company Registration No.  
200516209Z)



## ASCENDAS HOSPITALITY TRUST

### **Ascendas Hospitality Real Estate Investment Trust**

(A real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore)

Managed by  
**Ascendas Hospitality Fund  
Management Pte. Ltd.**

(Company Registration No.  
201133966D)

### **Ascendas Hospitality Business Trust**

(A business trust constituted on 13 March 2012 under the laws of the Republic of Singapore)

Managed by  
**Ascendas Hospitality Trust  
Management Pte. Ltd.**

(Company Registration No.  
201135524E)

## JOINT ANNOUNCEMENT

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## PROPOSED COMBINATION OF ASCOTT RESIDENCE TRUST AND ASCENDAS HOSPITALITY TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

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### 1. INTRODUCTION

#### 1.1 Introduction

The respective boards of directors of Ascott Residence Trust Management Limited, as manager of Ascott Residence Trust (“**Ascott Reit**”), Ascendas Hospitality Fund Management Pte. Ltd., as manager of Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust, are pleased to announce the proposed combination of Ascott Reit and Ascendas Hospitality Trust (“**A-HTRUST**” and such combination, the “**Combination**”).

The Combination is to be effected through the acquisition by Ascott Reit of all the issued and paid-up stapled units in A-HTRUST (“**A-HTRUST Stapled Units**”) by way of a trust scheme of arrangement for a consideration of S\$1.0868 for each A-HTRUST Stapled Unit (“**A-HTRUST Scheme Consideration**”). The A-HTRUST Scheme Consideration comprises S\$0.0543 in cash and 0.7942 units (“**Ascott Reit-BT Stapled Units**”) in a stapled Ascott Reit and Ascott Business Trust (“**Ascott BT**”) issued at a price of S\$1.30 each. The A-HTRUST Scheme Consideration is based on a gross exchange ratio of 0.836x, which is derived from the audited net asset value for each A-HTRUST Stapled Unit as at 31 March 2019 of S\$1.02 divided by the audited net asset value for each Ascott Reit Unit as at 31 December 2018 of S\$1.22.

## 1.2 Structure

The unitholding percentages of CapitalLand Limited (“CL”) and certain of its wholly-owned subsidiaries as set out below (“CL Entities”) as at the date hereof in each of Ascott Reit and A-HTRUST and (immediately upon completion of the Combination, on the bases and assumptions set out in this Announcement) the stapled Ascott Reit and Ascott BT (“Combined Entity”) are set out as follows and are reflected in **Schedule 1**.

CL Entities	Ascott Reit (%) <sup>1</sup>	A-HTRUST (%) <sup>2</sup>	Combined Entity (%) <sup>3</sup>
The Ascott Limited (“TAL”)	21.9	-	15.4
Somerset Capital Pte. Ltd. (“SCPL”)	14.4	-	10.2
Ascott Residence Trust Management Limited (“Ascott Reit Manager”)	8.6	-	6.4
Ascendas Land International Pte. Ltd. (“ALI”)	-	28.0	8.2
<b>Total</b>	<b>45.0</b>	<b>28.0</b>	<b>40.2</b>

## 1.3 Ascott Reit Announcement

The *pro forma* financial effects of the Combination and certain other information required to be disclosed by the Ascott Reit Manager pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST” and such listing manual, the “Listing Manual”), are set out in the announcement of the Combination released by the Ascott Reit Manager on the SGXNET today (“Ascott Reit Announcement”).

## 2. ASCOTT REIT AND ASCOTT REIT MANAGER

### 2.1 Ascott Reit

Ascott Reit is Singapore’s first and largest hospitality real estate investment trust with an asset size of S\$5.7 billion as at 31 March 2019. It has been listed on the SGX-ST since March 2006. Ascott Reit was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used as serviced residences, rental housing properties and other hospitality assets. As at the date hereof, Ascott Reit’s international portfolio comprises 74 properties (“Ascott Reit Properties”) with over 11,700 units in 37 cities across 14 countries in Asia Pacific, Europe and the United States of America<sup>4</sup>.

Certain key financial information with respect to Ascott Reit and its subsidiaries (“Ascott Reit Group” and each entity in the Ascott Reit Group, an “Ascott Reit Group Entity”) as at and for the financial year ended 31 December 2018 (“FY2018”) is set out as follows:

<sup>1</sup> Calculated based on a total of approximately 2,174.8 million units in Ascott Reit (“Ascott Reit Units”).

<sup>2</sup> Calculated based on a total of approximately 1,136.7 million A-HTRUST Stapled Units.

<sup>3</sup> Based on an aggregate of approximately 3,086.3 million Ascott Reit-BT Stapled Units. This figure does not take into consideration any fees that may be payable in units to the Ascott Reit Manager or the A-HTRUST Managers prior to the Effective Date.

<sup>4</sup> These figures include the development of Iyf one-north Singapore.

<b>Ascott Reit Group</b>	<b>Information (S\$ million)</b>
Net asset value <sup>5</sup> (“NAV”)	2,644.1
Net tangible asset value (“NTA”)	
Net profits before tax	195.4
Total assets	5,309.1
Aggregate valuation of portfolio <sup>6</sup>	4,942.9

## **2.2 Ascott Reit Manager and Ascott BT Trustee-Manager**

Ascott Reit is managed by the Ascott Reit Manager. After the establishment of the Ascott BT<sup>7</sup>, Ascott BT will be managed by a trustee-manager of Ascott BT, which will be a wholly-owned subsidiary of CL (“**Ascott BT Trustee-Manager**”). The Ascott Reit Manager holds a Capital Market Services License (“**CMS License**”) for Real Estate Investment Trust (“**REIT**”) Management pursuant to the Securities and Futures Act (Cap. 289 of Singapore) (“**SFA**”).

As at the date hereof, and (with respect to Ascott BT) after the incorporation of the Ascott BT Trustee-Manager, the board of directors of each of the Ascott Reit Manager and the Ascott BT Trustee-Manager comprises, or will comprise, the following persons (“**Ascott Reit Directors**”): Tan Beng Hai, Bob, Beh Siew Kim, Zulkifli Bin Baharudin, Sim Juat Quee Michael Gabriel, Elaine Carole Young, Lee Chee Koon and Lim Cho Pin Andrew Geoffrey.

## **3. A-HTRUST, A-HTRUST REIT MANAGER AND A-HTRUST BT TRUSTEE-MANAGER**

### **3.1 A-HTRUST**

A-HTRUST is a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (“**A-HTRUST REIT**”) and Ascendas Hospitality Business Trust (“**A-HTRUST BT**”), established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes, as well as real estate-related assets in connection with the foregoing. A-HTRUST was listed on the SGX-ST on 27 July 2012. Each unit in A-HTRUST REIT (“**A-HTRUST REIT Unit**”) is stapled to one unit in A-HTRUST BT (“**A-HTRUST BT Unit**”) under the terms of the A-HTRUST Stapling Deed dated 13 March 2012 (as amended) (“**A-HTRUST Stapling Deed**”). As at the date hereof, A-HTRUST’s portfolio comprises 14 properties (“**A-HTRUST Properties**”) with over 4,700 rooms in seven cities across four countries in the Asia Pacific region.

Certain key financial information with respect to A-HTRUST and its subsidiaries and sub-trusts (“**A-HTRUST Group**” and each entity in the A-HTRUST Group, an “**A-HTRUST Group Entity**”) as at and for the financial year ended 31 March 2019 (“**FY2018/2019**”) is set out as follows:

<sup>5</sup> For the purposes of this Announcement, all references to “NAV” or “NTA” of the Ascott Reit Group exclude funds represented by perpetual securities and non-controlling interests, and all references to “NAV” or “NTA” of the A-HTRUST Group exclude non-controlling interests.

<sup>6</sup> The valuations were carried out by Colliers International as at 31 December 2018 based on a discounted cash flow approach, which is in line with market practice.

<sup>7</sup> See the steps set out in **paragraph 7.1** below.

<b>A-HTRUST Group</b>	<b>Information (S\$ million)</b>
NAV	1,153.6
NTA	
Net profits before tax (from continuing operations)	98.6
Total assets	1,938.4
Aggregate valuation of portfolio <sup>8</sup>	1,822.5

### 3.2 A-HTRUST REIT Manager and A-HTRUST BT Trustee-Manager

A-HTRUST REIT is managed by Ascendas Hospitality Fund Management Pte. Ltd. (“**A-HTRUST REIT Manager**”) and A-HTRUST BT is managed by Ascendas Hospitality Trust Management Pte. Ltd. (“**A-HTRUST BT Trustee-Manager**” and, together with the A-HTRUST REIT Manager, the “**A-HTRUST Managers**”). Each A-HTRUST Manager is a wholly-owned subsidiary of CL. The A-HTRUST REIT Manager holds a CMS License for REIT Management pursuant to the SFA.

As at the date hereof, the board of directors of each of the A-HTRUST Managers comprises the following persons (“**A-HTRUST Directors**”): Miguel Ko, Chia Kim Huat, Manohar Khiatani, Tan Juay Hiang, Robert Hecker, Michael Issenberg, Deborah Lee Siew Yin, Patrick Lee Fook Yau and Willy Shee Ping Yah.

## 4. RATIONALE

As a result of CL’s acquisition of Ascendas Pte Ltd and Singbridge Pte. Ltd. which completed on 28 June 2019, the A-HTRUST Managers became wholly-owned subsidiaries of CL. The overlap between the investment mandates of the Ascott Reit Group and the A-HTRUST Group presented an opportunity for the A-HTRUST Managers to review options for the trust. The Combination is beneficial to the A-HTRUST Stapled Unitholders and the Ascott Reit Unitholders, and resolves the issue of overlapping mandates.

### 4.1 Value Accretive to A-HTRUST Stapled Unitholders

The A-HTRUST Scheme Consideration represents a premium of approximately 7% over the NAV for each A-HTRUST Stapled Unit as at 31 March 2019, a premium of approximately 32% to A-HTRUST’s last 12-month volume weighted average price (“**VWAP**”) of S\$0.824 as at 2 July 2019 and a premium of approximately 24% to A-HTRUST’s initial public offering price of S\$0.880. In addition, A-HTRUST Stapled Unitholders may have the opportunity to receive A-HTRUST Permitted Distributions in addition to the A-HTRUST Scheme Consideration if and when declared by the A-HTRUST Managers.

<sup>8</sup> The valuations were carried out by, in respect of:

- (i) the Australia portfolio, Cushman & Wakefield (Valuations) Pty Ltd;
- (ii) the Japan portfolio, JLL Morii Valuation & Advisory K.K.;
- (iii) the South Korea portfolio, CBRE Korea Co., Ltd.; and
- (iv) the Singapore portfolio, CBRE Pte. Ltd.,

in each case, based on standards in line with market practice, including using a capitalisation method or discounted cash flow analysis.



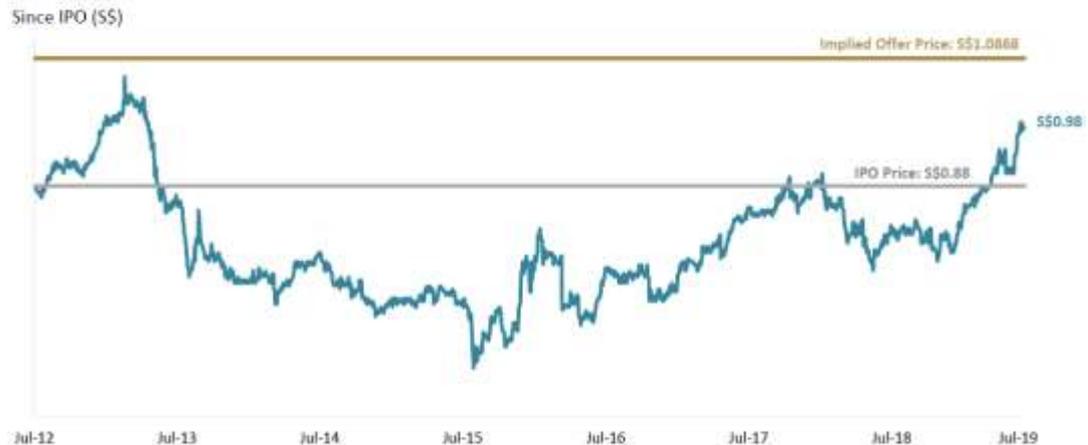
Source: Bloomberg

Note:

- (1) The last closing price refers to the closing price of the A-HTRUST Stapled Unit as at 2 July 2019. The VWAPs are with reference to the relevant periods up to and including 2 July 2019.

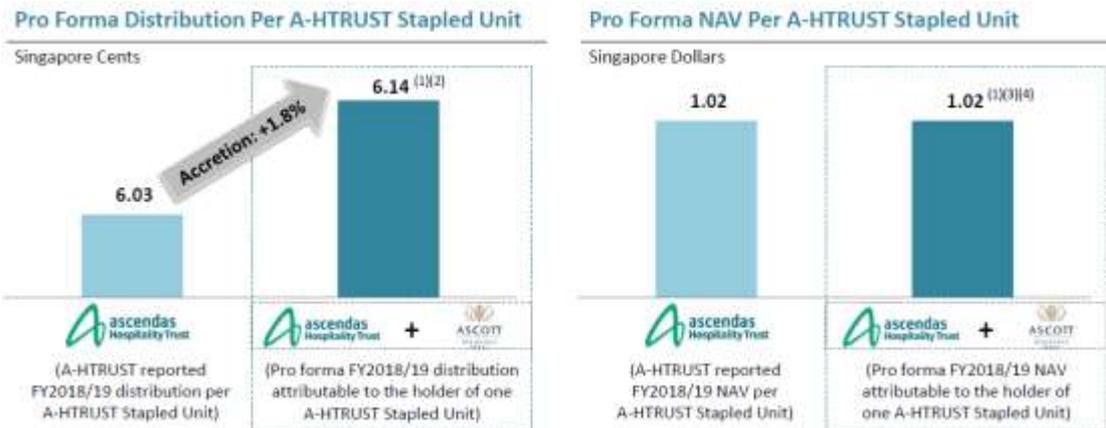
In addition, the A-HTRUST Scheme Consideration is higher than all closing prices of the A-HTRUST Stapled Units since the initial public offering of A-HTRUST.

Historical A-HTRUST Stapled Unit Price



Source: Capital IQ as of 2 July 2019

Assuming that the Combination had been completed on 1 April 2018, the *pro forma* distribution attributable to the holder of one A-HTRUST Stapled Unit for FY2018/2019 would have been 6.14 cents, which is approximately 1.8% higher than the distribution of 6.03 cents that would have been received during the same period. The Combination is expected to be NAV per A-HTRUST Stapled Unit neutral assuming the premium over NAV of A-HTRUST is written off and excluding transaction costs.



**Notes:**

- (1) Calculations computed for illustrative purposes only – not a forward looking projection. Key assumptions in preparing the *pro forma* financial effects include: (a) A-HTRUST Stapled Unitholders to receive in aggregate S\$61.8 million cash and 902.8 million Ascott Reit-BT Stapled Units; (b) the *pro forma* financial effects are prepared based on the A-HTRUST FY2018/2019 Financial Statements and the Ascott Reit FY2018 Financials Statements; (c) the Combined Entity is to have a payout ratio in line with Ascott Reit’s historical payout ratio of 100%. The S\$5.1 million of A-HTRUST’s distributable income for FY2018/2019, which A-HTRUST withheld for working capital purposes, is assumed to be distributed in full on a *pro forma* basis. The Combined Entity is to fund such distribution from existing cash balances; (d) the cash component and transaction expenses are funded through debt facilities; (e) the Ascott Reit Manager elects to waive 50% of its acquisition fee with respect to the Combination; (f) the *pro forma* distribution per unit is calculated by multiplying the Combined Entity’s *pro forma* distribution per unit by the exchange ratio of 0.836x and assuming the Cash Consideration is reinvested in the Combined Entity at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit.
- (2) Assumes transaction was completed on 1 April 2018.
- (3) Assumes transaction was completed on 31 March 2019.
- (4) Assumes write-off of premium over NAV and excluding transaction costs. Including transaction costs, *pro forma* NAV per A-HTRUST Stapled Unit would have been S\$1.01 implying a dilution of 0.7%.

**4.2 Enlarged and Diversified Portfolio to Enhance Resilience**

The Combined Entity will have a combined portfolio comprising 88 properties with a total property value of approximately S\$6.7 billion as at 31 March 2019 for A-HTRUST and 31 December 2018 for Ascott Reit across 15 countries. The Combined Entity’s portfolio will be well diversified, with no single market accounting for more than 20% of the total portfolio and no single property accounting for more than 7% of the total portfolio. This will minimise any concentration risk and reliance on any single asset or country.

## Balanced Exposure of Developed / Emerging Markets

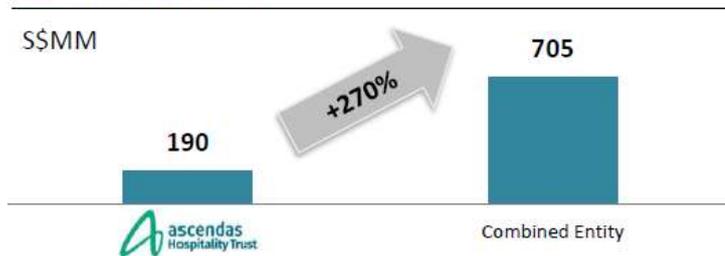


### Notes:

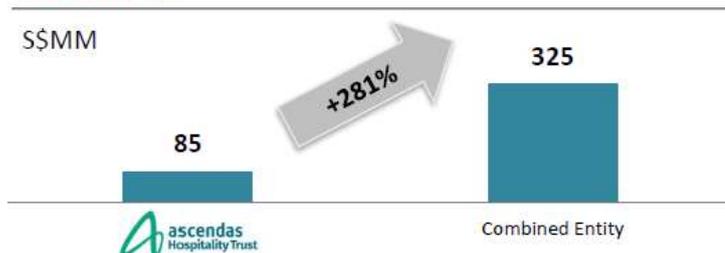
- (1) As at 31 March 2019 for A-HTRUST and 31 December 2018 for Ascott Reit.
- (2) Includes lyf one-north Singapore for Ascott Reit.
- (3) Emerging markets include China, Indonesia, Malaysia, the Philippines and Vietnam based on FTSE EPRA Nareit classification.

A-HTRUST's portfolio mainly comprises of hotel properties, while Ascott Reit's portfolio largely comprises of serviced residences. The Combined Entity will benefit from diversification of property type and will have better resilience with the enlarged income base. The *pro forma* gross revenue for the Combined Entity is approximately S\$705 million and gross profit is approximately S\$325 million, an increase of approximately 270% and 281% from A-HTRUST's gross revenue and gross profit for FY2018/19, respectively.

### Gross Revenue <sup>(1)</sup>



### Gross Profit <sup>(1)</sup>



**Note:**

- (1) Based on the A-HTRUST FY2018/2019 Financial Statements and the Ascott Reit FY2018 Financial Statements. Any discrepancies in the figures included herein between the individual amounts and total thereof are due to rounding.

Furthermore, the Combined Entity will also have the ability to leverage on the collection of trusted and well-known global hospitality brands under A-HTRUST and Ascott Reit, across short-stay properties (i.e., hotels) and long-stay properties (i.e., serviced residences and rental housing). The variety of brands will provide more options to the Combined Entity in catering to different customer segments.

### Collection of Trusted and Well-Known Global Brands

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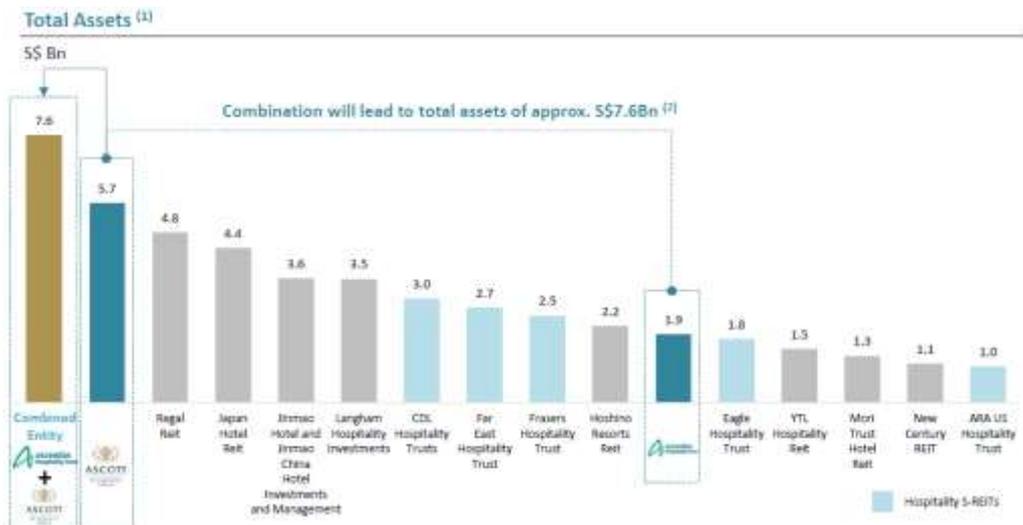
A-HTRUST	• Courtyard by Marriott	• Pullman
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	• Novotel	• Sunroute
	• Mercure	• The Splaisir
	• Park Hotel	• WBF
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Ascott Reit	• Ascott The Residence	• lyf
	• Citadines Apart'hotel	• Quest Apartment Hotels
	• Citadines Connect	• Sheraton
	• DoubleTree by Hilton	• Somerset Serviced Residence
	• Element Hotels	• The Crest Collection

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#### 4.3 Participation in the Proxy Hospitality Trust in Asia Pacific

The Combination will result in a sizeable and liquid hospitality Singapore-listed REIT (“S-REIT”) which is expected to benefit A-HTRUST Stapled Unitholders in the following manner:

- (a) the Combined Entity is expected to become the largest hospitality trust in Asia Pacific, with total assets increasing to approximately S\$7.6 billion and market capitalisation increasing to S\$4.0 billion, approximately 3.6 times A-HTRUST's market capitalisation as at 2 July 2019;



**Source:** Bloomberg.

**Notes:**

- (1) Reflecting only hospitality trusts with total assets of at least S\$1.0 billion as at 28 June 2019. Assuming an exchange rate of S\$1 = US\$0.739 = HK\$5.771 = RMB5.077 = JPY79.61 = RM3.054 = A\$1.055 as at June 2019.
  - (2) Based on the combined assets of the A-HTRUST Group and the Ascott Reit Group as at 31 March 2019.
- (b) the Combined Entity will benefit from a significant increase in market capitalisation and free float, which will potentially result in higher trading liquidity and path to index inclusion. This could lead to a positive re-rating and provide a more competitive cost of capital to the Combined Entity; and
  - (c) the enlarged scale of the combined portfolio will enhance the visibility of the Combined Entity amongst the investment community. This would allow the Combined Entity to benefit from better access to competitive sources of capital and enjoy greater funding flexibility.

## Market Capitalisation & Free Float <sup>(1)(2)</sup>



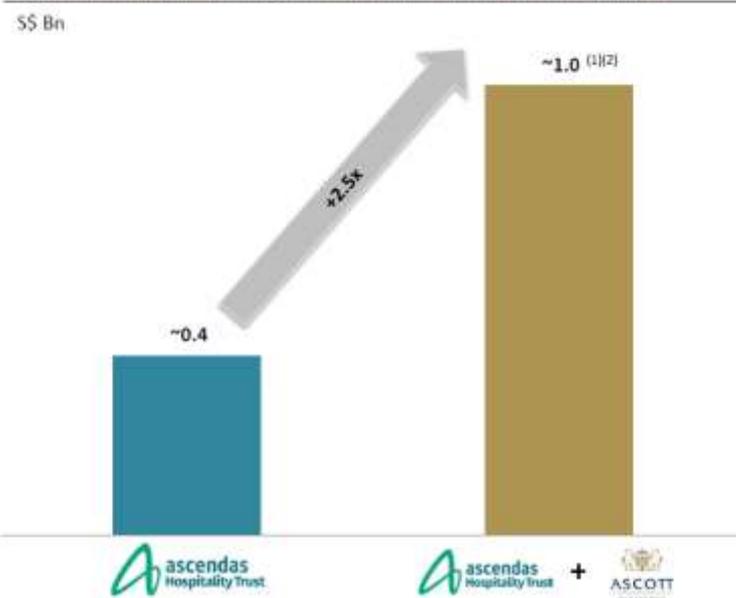
### Notes:

- (1) As at 2 July 2019.
- (2) Combined Entity market capitalisation based on 3,086.3 million Ascott Reit-BT Stapled Units, using an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit issued as Consideration Units, and giving a free float of approximately 1,846.6 million Ascott Reit-BT Stapled Units (each <5% stake).

#### 4.4 Increased Flexibility and Ability to Drive Growth

A-HTRUST Stapled Unitholders will benefit from the Combined Entity's greater ability to pursue future growth both organically and inorganically. With a larger asset base, debt headroom is expected to increase 2.5 times from approximately S\$0.4 billion for A-HTRUST as at 31 March 2019 to a *pro forma* debt headroom of approximately S\$1.0 billion for the Combined Entity. With a larger capital base, the Combined Entity will be able to evaluate investment opportunities with greater speed and flexibility. In addition, the increased funding capacity will allow the Combined Entity to undertake more asset enhancement initiatives to deliver organic growth.

### Capital Flexibility from Larger Debt Headroom for Future Growth



#### Notes:

- (1) Based on an aggregate leverage limit of 45% under the Property Funds Appendix.
- (2) Assumes transaction was completed on 31 March 2019. Computed based on the financial position of A-HTRUST and Ascott Reit as at 31 March 2019 and 31 December 2018 respectively and assumes that additional S\$85.1 million debt was drawn down to fund the cash component of the estimated total transaction costs.

#### 4.5 Benefit from TAL's Owner-Operator Hospitality Platform

With the completion of CL's acquisition of all the shares in each of Ascendas Pte Ltd and Singbridge Pte. Ltd. on 28 June 2019, CL effectively owns 28.0% of A-HTRUST through ALI. After the Combination, CL will effectively control 40.2% of the Combined Entity, with A-HTRUST REIT and A-HTRUST BT held as sub-trusts of the Ascott Reit Group. The Combination will result in the Combined Entity becoming the sole hospitality trust platform of CL.

As unitholders in the Combined Entity, the A-HTRUST Stapled Unitholders will benefit from CL being one of Asia's largest diversified real estate groups and from CL's wholly-owned subsidiary, TAL, one of the leading international lodging owner-operators, being the sponsor of the Combined Entity. The A-HTRUST Stapled Unitholders will be able to participate in future upside of the Combined Entity through the following:

- (a) ability to leverage TAL's global presence for portfolio expansion:

TAL is currently present in 175 cities across 32 countries, which is a much wider geographical presence compared to Ascott Reit and A-HTRUST. In addition, Ascott Reit has been granted a right of first refusal by TAL of any sale of TAL's properties that are used, or predominantly used, as serviced residences or rental housing in Europe and the Pan-Asian region; and

- (b) potential benefit from TAL's operating platforms and brands:

TAL is also a lodging operator of more than 106,000 units across the globe under various brands, including Ascott, Citadines, Somerset, Quest, The Crest Collection and lyf. TAL's award-winning global brands provide guests with assurance of consistent quality service and experience across the properties. The wide range of brands is expected to expand the Combined Entity's hospitality portfolio and cater to the needs of various market segments.



**Note:**

(1) As at 30 June 2019 and includes A-HTRUST.

**5. FUTURE INTENTIONS FOR COMBINED ENTITY**

With respect to the Combination:

- (a) the present investment mandate of the Ascott Reit Group, as noted in **paragraph 2.1**, is to invest in real estate and real estate-related assets which are income-producing and which are used or predominantly used as, amongst other things, hospitality assets in any country in the world. This would encompass the present investment mandate of the A-HTRUST Group, which, as noted in **paragraph 3.1**, is similarly to invest in income-producing real estate used predominantly for hospitality purposes. Accordingly, the Ascott Reit Manager has no intention of expanding the investment mandate of Ascott Reit following the Combination, as it considers that there is no need to do so;
- (b) the fee structure of the A-HTRUST Group with respect to fees payable to the A-HTRUST Managers will adopt that of the fee structure of the Ascott Reit Group, and will not be materially different from the fee structure of the A-HTRUST Group as presently adopted; and
- (c) subject to further evaluation by the board of the Ascott Reit Manager ("**Ascott Reit Board**"), the Ascott Reit Manager has no intention to amend the present constitution of the Ascott Reit Board pursuant to the Combination.

Further, there is presently no intention to (i) introduce any major changes to the business of A-HTRUST, (ii) re-deploy the fixed assets of A-HTRUST or (iii) discontinue the employment of the employees of the A-HTRUST Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Combined Entity which may be implemented after the Combination.

The Ascott Reit Board and, after the Combination, the board of directors of the Ascott BT Trustee-Manager, each retains and reserves the right and flexibility at any time and from time to time to consider any options in relation to the Combined Entity which may present themselves and which they may regard to be in the interests of the Combined Entity.

## 6. CONSIDERATION

### 6.1 A-HTRUST Scheme Consideration

The consideration of S\$1.0868 for each A-HTRUST Stapled Unit comprises S\$0.0543 in cash (“**Cash Consideration**”) and 0.7942 Ascott Reit-BT Stapled Units (“**Consideration Units**”) for each A-HTRUST Stapled Unit.

The A-HTRUST Scheme Consideration will be paid to each unitholder of A-HTRUST (“**A-HTRUST Stapled Unitholder**”) as at the books closure date to determine the entitlements of the A-HTRUST Stapled Unitholders in respect of the A-HTRUST Scheme (“**A-HTRUST Scheme Entitlement Date**”).

The Consideration Units will:

- (a) when issued, be duly authorised, validly issued and fully paid-up and will rank *pari passu* in all respects with the existing Ascott Reit-BT Stapled Units as at the date of their issue;
- (b) be issued free from any and all encumbrances and restrictions on transfers and no person shall have any rights of pre-emption over the Consideration Units; and
- (c) be issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit, being the price agreed between the Parties at which the Consideration Units will be issued.

For the avoidance of doubt:

- (i) the Consideration Units will be issued with all rights, benefits and entitlements attaching thereto as at the date of their issue (not as at the date hereof) and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the Ascott Reit Manager or the Ascott BT Trustee-Manager on or after the date of their issue (and not on or after the date hereof);
- (ii) the Consideration Units will not be entitled to the Ascott Reit Permitted Distributions; and
- (iii) the Parties shall be entitled to declare, make or pay the Ascott Reit Permitted

Distributions and the A-HTRUST Permitted Distributions (as the case may be) without any adjustment to the A-HTRUST Scheme Consideration. A-HTRUST Stapled Unitholders shall have the right to receive and retain the A-HTRUST Permitted Distributions in addition to the A-HTRUST Scheme Consideration.

The aggregate Cash Consideration to be paid to each A-HTRUST Stapled Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each A-HTRUST Stapled Unitholder shall be entitled to pursuant to the A-HTRUST Scheme, based on the number of the A-HTRUST Stapled Units held by such A-HTRUST Stapled Unitholder as at the A-HTRUST Scheme Entitlement Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

The Ascott Reit Manager reserves the right to adjust the A-HTRUST Scheme Consideration by reducing the cash component of the A-HTRUST Scheme Consideration, the unit component of the A-HTRUST Scheme Consideration or by any combination of such cash and unit components, if and to the extent any distribution in excess of the A-HTRUST Permitted Distributions is declared, made or paid by the A-HTRUST Managers on or after the date hereof.

## 6.2 Cash Confirmation

Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**"), the sole financial adviser to the Ascott Reit Manager in respect of the Combination, confirms that sufficient financial resources are available to Ascott Reit to satisfy in full the aggregate Cash Consideration payable by the Ascott Reit Trustee for all the A-HTRUST Stapled Units to be acquired by Ascott Reit and Ascott BT pursuant to the Combination.

## 7. KEY TERMS OF PROPOSED COMBINATION

### 7.1 Scheme Implementation Agreement

In connection with the Combination, DBS Trustee Limited (in its capacity as trustee of Ascott Reit) ("**Ascott Reit Trustee**"), the Ascott Reit Manager, Perpetual (Asia) Limited (in its capacity as trustee of A-HTRUST REIT) ("**A-HTRUST REIT Trustee**") and the A-HTRUST Managers ("**Parties**") have today entered into an implementation agreement ("**Scheme Implementation Agreement**") setting out the terms and conditions on which the Combination will be implemented. The following key steps will be taken in relation to the Combination:

- (a) Ascott Reit will establish a wholly-owned Ascott BT, with the number of units in Ascott BT ("**Ascott BT Units**") being equivalent to the number of issued and outstanding Ascott Reit Units as at the Ascott Reit Scheme Entitlement Date;
- (b) pursuant to a trust scheme of arrangement by Ascott Reit ("**Ascott Reit Scheme**") to be effected in accordance with the Ascott Reit Trust Deed dated 19 January 2006 (as amended) ("**Ascott Reit Trust Deed**"), all the Ascott BT Units will be distributed *in specie* to the unitholders of Ascott Reit ("**Ascott Reit Unitholders**") as at the books closure date to determine the entitlements of the Ascott Reit Unitholders in respect of the Ascott Reit Scheme ("**Ascott Reit Scheme Entitlement Date**") and each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with the stapling deed of Ascott Reit and Ascott BT to be

entered into between the Ascott Reit Trustee, the Ascott Reit Manager and the Ascott BT Trustee-Manager. For the avoidance of doubt, the Ascott Reit Scheme Entitlement Date shall be one and the same date as the A-HTRUST Scheme Entitlement Date; and

- (c) pursuant to a trust scheme of arrangement by A-HTRUST (“**A-HTRUST Scheme**”) to be effected in accordance with The Singapore Code on Take-overs and Mergers (“**Code**”) and the A-HTRUST REIT Trust Deed, the A-HTRUST BT Trust Deed and the A-HTRUST Stapling Deed each dated 13 March 2012 (as amended) (collectively, “**A-HTRUST Trust Deeds**”), on the date falling not later than seven business days after the Effective Date:
  - (i) the A-HTRUST Managers will unstack the A-HTRUST REIT Units and the A-HTRUST BT Units from the other and effect such unstacking before any A-HTRUST REIT Unit and A-HTRUST BT Unit may be transferred to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, pursuant to the A-HTRUST Scheme, such that each and every A-HTRUST Stapled Unit which is transferred to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, pursuant to the A-HTRUST Scheme shall be transferred on an unstacked basis; and
  - (ii) the Ascott Reit Trustee will acquire all the A-HTRUST REIT Units, and the Ascott BT Trustee-Manager will acquire all the A-HTRUST BT Units, for the A-HTRUST Scheme Consideration, in each case, fully paid, free from all encumbrances and together with all rights, benefits and entitlements attaching hereto as at the date hereof and hereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the A-HTRUST Managers on or after the date hereof, except for the A-HTRUST Permitted Distributions.

With respect to **paragraph 7.1(a)**:

- (x) pursuant to the establishment of the Ascott BT and the stapled Ascott Reit and Ascott BT structure, a trust deed in relation to the Ascott BT (“**Ascott BT Trust Deed**”) and a stapling deed in relation to Ascott Reit and Ascott BT (“**Ascott Reit Stapling Deed**”) will be entered into; and
- (y) further details on the Ascott BT and the stapled Ascott Reit and Ascott BT structure, including the formation and structure of the Ascott BT and the stapled Ascott Reit and Ascott BT structure, the rights, preferences and restrictions attaching to each class of Ascott BT Units and the stapling and unstacking procedures of the Ascott Reit Units and the Ascott BT Units, will be set out in the composite document to be issued by the Ascott Reit Manager to the Ascott Reit Unitholders (“**Ascott Reit Composite Document**”).

With respect to **paragraph 7.1(c)**, such acquisition by the Ascott Reit Trustee, in consideration for the A-HTRUST Scheme Consideration (“**Ascott Reit Acquisition**”), requires the approval of the Ascott Reit Unitholders under Rules 812(2), 906(1) and 1014(2) of the Listing Manual and Paragraph 5.2(b) of Appendix 6 (Property Funds Appendix) of the Code on Collective Investment Schemes (“**Property Funds Appendix**”), in each case, with

TAL, SCPL and the Ascott Reit Manager abstaining from voting on such resolutions, as required under Rules 812(2) and Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix. Further details with respect to the Ascott Reit Acquisition have been set out in the Ascott Reit Announcement.

## 7.2 Conditions to Completion

- (a) The Combination is subject to the satisfaction or waiver of the conditions (“**Conditions**”) set out in **Schedule 2**.
- (b) The Scheme Implementation Agreement may be terminated if any Condition set out in:
  - (i) **paragraph (1), (2) or (3) of Schedule 2** has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 31 December 2019 (or such other time and date as the Parties may agree) (“**Long-Stop Date**”) and the non-satisfaction of such Condition is material in the context of the Combination; or
  - (ii) **paragraph (4), (5), (6) or (7) of Schedule 2** is not satisfied (or, where applicable, has not been waived) on the business day immediately preceding the Effective Date and the non-satisfaction of such Condition is material in the context of the Combination (“**Relevant Date**”),in each case, by the relevant Party or Parties having the right to terminate the Scheme Implementation Agreement for the non-satisfaction of such Condition.
- (c) Without prejudice to any other rights of termination under the Scheme Implementation Agreement, the Scheme Implementation Agreement may be terminated at any time from the date hereof to (and including) the Relevant Date:
  - (i) if there has been a decree, determination, injunction, judgment or other order (which is final and non-appealable) issued by any court of competent jurisdiction or by any governmental authority which has the effect of permanently enjoining, restraining or otherwise prohibiting the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or any part thereof;
  - (ii) if there is a breach of certain warranties given by the Ascott Reit Trustee or the Ascott Reit Manager in the Scheme Implementation Agreement (“**Ascott Reit Warranties**”) which are material in the context of the Combination and the Ascott Reit Trustee or the Ascott Reit Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the A-HTRUST REIT Trustee or any A-HTRUST Manager to do so;
  - (iii) if the Ascott Reit Trustee or the Ascott Reit Manager fails to perform and comply in all material respects with certain material undertakings given by the Ascott Reit Trustee or the Ascott Reit Manager in the Scheme Implementation Agreement (“**Ascott Reit Material Covenants**”) which are

required to be performed or complied with by it on or prior to the Relevant Date;

- (iv) if there is a breach of certain warranties given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement (“**A-HTRUST Warranties**”) which are material in the context of the Combination and the A-HTRUST REIT Trustee or any A-HTRUST Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so;
- (v) if the A-HTRUST REIT Trustee or any A-HTRUST Manager fails to perform and comply in all material respects with certain material undertakings given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement (“**A-HTRUST Material Covenants**”) which are required to be performed or complied with by it on or prior to the Relevant Date;
- (vi) if there has been an occurrence of an Ascott Reit Material Adverse Effect; or
- (vii) if there has been an occurrence of an A-HTRUST Material Adverse Effect,

in each case, by the relevant Party or Parties having the right to terminate the Scheme Implementation Agreement for the non-satisfaction of the relevant Condition to which such matters relate.

### **7.3 Implementation**

Each of the Ascott Reit Trustee (to the extent applicable), the Ascott Reit Manager, the A-HTRUST REIT Trustee (to the extent applicable) and the A-HTRUST Managers have agreed to execute all documents and do or cause to be done all acts and things necessary for the implementation of the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme, as expeditiously as possible.

### **7.4 Effective Date**

The A-HTRUST Scheme will become effective upon the lodgement of the order of the High Court of the Republic of Singapore (“**Court**”) sanctioning the A-HTRUST Scheme (“**A-HTRUST Court Order**”) with the Monetary Authority of Singapore (“**MAS**”) or the notification to the MAS of the grant of the A-HTRUST Court Order, as the case may be, which shall be effected by the A-HTRUST Managers:

- (a) within 10 business days from the date that the last of the Conditions set out in **paragraphs (1), (2) and (3) of Schedule 2** is satisfied or waived, as the case may be, in accordance with the terms of the Scheme Implementation Agreement; and
- (b) provided that the Conditions set out in **paragraphs (4), (5), (6) and (7) of Schedule 2** are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Scheme Implementation Agreement,

("Effective Date").

## 7.5 Conduct of Business

Each Party has agreed not to, during the period from the date hereof to the Effective Date, without the prior written consent of the other Parties (as relevant), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in an Ascott Reit Prescribed Occurrence or an A-HTRUST Prescribed Occurrence (as set out in **Schedule 3**), save to the extent:

- (a) required by applicable laws and subject to any fiduciary duties, statutory or legal obligations;
- (b) required to give effect to and comply with the Scheme Implementation Agreement;
- (c) such action is in connection with the redevelopment of any asset in the portfolio of the Ascott Reit Group or the A-HTRUST Group, where such action is taken or refrained from being taken in accordance with all applicable laws, including the Property Funds Appendix; or
- (d) in relation to certain matters agreed between the Parties.

## 7.6 Ascott Reit Permitted Distributions and A-HTRUST Permitted Distributions

The Ascott Reit Manager and the A-HTRUST Managers are permitted to declare, make or pay distributions to the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders (as the case may be) only if such distributions to be declared, made or paid by the Ascott Reit Manager or any A-HTRUST Manager (respectively, "**Ascott Reit Permitted Distributions**" and "**A-HTRUST Permitted Distributions**"):

- (a) have been declared, or which the Ascott Reit Manager or any A-HTRUST Manager (as the case may be) is under a contractual obligation to make or pay but has not made or paid (in each case, where such declaration or obligation has been disclosed to the Parties), prior to the date hereof; or
- (b) are declared, paid or made or are to be declared, paid or made in the ordinary course of business and to the extent consistent with past practice by the Ascott Reit Manager to the Ascott Reit Unitholders or by any A-HTRUST Manager to the A-HTRUST Stapled Unitholders, as the case may be, in respect of the period from, in the case of the Ascott Reit Manager, 1 January 2019 until the day immediately before the Effective Date, and in the case of the A-HTRUST Managers, 1 April 2019 until the day immediately before the Effective Date (including any clean-up distributions to the Ascott Reit Unitholders or the A-HTRUST Stapled Unitholders, as the case may be, in respect of the period from the day following the latest completed financial half year of Ascott Reit or A-HTRUST, as the case may be, preceding the Effective Date up to the day immediately before the Effective Date),

provided that, for this purpose, the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions shall include any and all distributions declared, paid or made or to be declared, paid or made in respect of any net gains (after taking into consideration applicable

taxes and transaction fees, costs and expenses) arising from any divestments by any Ascott Reit Group Entity or any A-HTRUST Group Entity, as the case may be, effected or completed on or after 1 January 2019 or 1 April 2019, respectively, up to the day immediately before the Effective Date.

#### **7.7 Break Fee and Reverse Break Fee**

The Parties have agreed to certain matters in relation to the payment of S\$12,350,000, being an amount equal to 1% of the aggregate A-HTRUST Scheme Consideration (rounded down to the nearest S\$10,000), by:

- (a) the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager to the Ascott Reit Trustee ("**Break Fee**"); and
- (b) the Ascott Reit Trustee to the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager ("**Reverse Break Fee**"),

as further described in **Schedule 4**.

#### **7.8 Exclusivity**

The A-HTRUST REIT Trustee and the A-HTRUST Managers have agreed to grant the Ascott Reit Trustee and the Ascott Reit Manager exclusivity for a period commencing on the date hereof and ending on the earliest of the date on which the Scheme Implementation Agreement is terminated, the A-HTRUST Scheme Implementation Date and the Long-Stop Date, during which the A-HTRUST REIT Trustee and the A-HTRUST Managers shall not:

- (a) solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any A-HTRUST Competing Offer; or
- (b) negotiate or enter into, or participate in negotiations or discussions with any person (other than the Ascott Reit Trustee or the Ascott Reit Manager) ("**Third Party**") in relation to, any A-HTRUST Competing Offer or any agreement, understanding or arrangement which would or is reasonably likely to result in or lead to any A-HTRUST Competing Offer.

In addition, the A-HTRUST REIT Trustee and the A-HTRUST Managers have agreed to provide the Ascott Reit Trustee and the Ascott Reit Manager with the right to provide, within an agreed period, a matching or superior proposal to the terms of the A-HTRUST Competing Offer, taken as a whole.

The agreement of the Parties with respect to the Break Fee, the Reverse Break Fee and matters in relation thereto are subject to, and without prejudice to, the fiduciary or statutory duties of the relevant directors and compliance with applicable laws.

#### **7.9 Termination**

Notwithstanding any other provision in the Scheme Implementation Agreement, the Scheme Implementation Agreement may be terminated at any time prior to the Effective Date:

- (a) by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an A-HTRUST Termination Event occurs;
- (b) by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an Ascott Termination Event occurs; or
- (c) pursuant to such terms of the Scheme Implementation Agreement as set out in **paragraph 7.2(b) or (c)** above,

provided that the Party seeking to terminate the Scheme Implementation Agreement, including in the event of non-satisfaction of any Condition, shall only terminate the Scheme Implementation Agreement with the prior consultation of the Securities Industry Council (“**SIC**”) and subject to the SIC giving its approval for, and stating that it has no objections to, such termination.

Upon the termination of the Scheme Implementation Agreement, no Party shall have a claim against any other Party except for claims arising from any breaches on or prior to such termination, in relation to certain surviving provisions after such termination or in relation to the Break Fee or the Reverse Break Fee, as the case may be, and in each case without prejudice to the rights of the Parties to seek specific performance or other equitable remedies.

## **8. ASCOTT REIT MANAGER WAIVER OF ACQUISITION FEE**

To demonstrate its support for the Combination, the Ascott Reit Manager has voluntarily waived 50% of its acquisition fee entitlement under the Ascott Reit Trust Deed. Further details with respect to the fees payable to the Ascott Reit Manager have been set out in the Ascott Reit Announcement.

## **9. CL ENTITIES INTENTION TO VOTE**

The CL Entities intend to vote, or procure the voting of, all the Ascott Reit Units and the A-HTRUST Stapled Units in which each such entity is a beneficial owner thereof or in respect of which such entities may otherwise become entitled to exercise all rights attaching thereto (including voting rights) in favour of the resolutions with respect to the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme, to the extent it is not required to abstain from voting thereon.

## **10. FINANCIAL ADVISERS**

### **10.1 Financial Adviser to Ascott Reit Manager**

Citi is the sole financial adviser to the Ascott Reit Manager in respect of the Combination.

### **10.2 Financial Adviser to A-HTRUST Managers**

Morgan Stanley Asia (Singapore) Pte. (“**Morgan Stanley**”) is the sole financial adviser to the A-HTRUST Managers in respect of the Combination.

### 10.3 Independent Financial Adviser to Board of Ascott Reit Manager

An independent financial adviser (“**Ascott Reit IFA**”) will be appointed to advise (a) the Ascott Reit Trustee, (b) the Ascott Reit Audit Committee and (c) the directors of the Ascott Reit Manager who are considered independent for the purposes of the Ascott Reit Acquisition (“**Ascott Reit Independent Directors**”) as to whether the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and its minority unitholders.

As at the date hereof, the Ascott Reit Audit Committee comprises Zulkifli Bin Baharudin, Sim Juat Quee Michael Gabriel, Elaine Carole Young and Lim Cho Pin Andrew Geoffrey, and the Ascott Reit Independent Directors are Tan Beng Hai Bob, Zulkifli Bin Baharudin, Sim Juat Quee Michael Gabriel and Elaine Carole Young.

Full details of the Ascott Reit Scheme and the Ascott Reit Acquisition, including the recommendation of the Ascott Reit Independent Directors along with the advice of the Ascott Reit IFA (“**Ascott Reit IFA Letter**”), will be included in the Ascott Reit Composite Document.

### 10.4 Independent Financial Adviser to Boards of A-HTRUST Managers

An independent financial adviser (“**A-HTRUST IFA**”) will be appointed to advise the directors of the A-HTRUST Managers who are considered independent for the purposes of the Combination (including the A-HTRUST Scheme) (“**A-HTRUST Independent Directors**”) as to whether the Combination is fair and reasonable.

As at the date hereof, the A-HTRUST Independent Directors are Chia Kim Huat, Tan Juay Hiang, Robert Hecker, Michael Issenberg, Deborah Lee Siew Yin, Patrick Lee Fook Yau and Willy Shee Ping Yah.

Full details of the Combination and the A-HTRUST Scheme, including the recommendation of the A-HTRUST Independent Directors along with the advice of the A-HTRUST IFA (“**A-HTRUST IFA Letter**”), will be included in the scheme document to be issued by the A-HTRUST Managers to the A-HTRUST Stapled Unitholders (“**A-HTRUST Scheme Document**”).

## 11. OTHER INFORMATION

### 11.1 Timeline

An indicative timeline listing certain important dates and times relating to the Combination is set out in **Schedule 5**. A detailed timeline will be set out in the Ascott Reit Composite Document and the A-HTRUST Scheme Document.

### 11.2 Ascott Reit Composite Document and A-HTRUST Scheme Document

- (a) The Ascott Reit Composite Document, containing full details of the Combination (including the recommendation of the Ascott Reit Independent Directors and the Ascott Reit IFA Letter) and giving notice of the general meeting (“**Ascott Reit EGM**”) and Court-convened meeting (“**Ascott Reit Scheme Meeting**”) of Ascott Reit

Unitholders in relation to the Combination will be despatched to the Ascott Reit Unitholders in due course.

- (b) The A-HTRUST Scheme Document containing full details of the Combination (including the recommendation of the A-HTRUST Independent Directors and the A-HTRUST IFA Letter) and giving notice of the general meeting (“**A-HTRUST EGM**”) and Court-convened meeting (“**A-HTRUST Scheme Meeting**”) of A-HTRUST Stapled Unitholders in relation to the Combination will be despatched to the A-HTRUST Stapled Unitholders in due course.

**Ascott Reit Unitholders and A-HTRUST Stapled Unitholders are advised to refrain from taking any action in relation to the Ascott Reit Units and the A-HTRUST Stapled Units (as the case may be) which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Ascott Reit Independent Directors and the A-HTRUST Independent Directors, as well as the Ascott Reit IFA Letter and the A-HTRUST IFA Letter (as the case may be).**

**Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **11.3 Ascott Reit Auditors Opinion and A-HTRUST Auditors Opinion**

The Parties have agreed to instruct, in the case of Ascott Reit, KPMG LLP (“**Ascott Reit Auditors**”) and in the case of A-HTRUST, Ernst & Young LLP (“**A-HTRUST Auditors**”) to:

- (a) perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on:
- (i) in the case of the Ascott Reit Auditors, the line items titled “**investment properties**” and “**property, plant and equipment**” set out in the balance sheet of the A-HTRUST Group, as reflected in the audited consolidated financial statements of the A-HTRUST Group for FY2018/2019 (“**A-HTRUST FY2018/2019 Financial Statements**”), including by, amongst other things, reviewing the audit working papers of the A-HTRUST Auditors and the valuation reports as at 31 March 2019 commissioned by the A-HTRUST Managers in respect of the A-HTRUST Properties<sup>9</sup>; and
  - (ii) in the case of the A-HTRUST Auditors, the line item titled “**serviced residence properties**” set out in the balance sheet of the Ascott Reit Group, as reflected in the audited consolidated financial statements of the Ascott Reit Group for FY2018 (“**Ascott Reit FY2018 Financial Statements**”), including by, amongst other things, reviewing the audit working papers of the Ascott Reit Auditors and the valuation reports as at 31 December 2018 commissioned by the Ascott Reit Manager in respect of the Ascott Reit Properties<sup>10</sup>;

<sup>9</sup> For the avoidance of doubt, excluding Shama Luxe Aurora Melbourne Central.

<sup>10</sup> For this purpose, excluding Ascott Raffles Place Singapore.

- (b) deliver an audit opinion setting out its opinion as to whether the carrying value of, in the case of the Ascott Reit Auditors, A-HTRUST's "**investment properties**" and "**property, plant and equipment**", as reflected in the A-HTRUST FY2018/2019 Financial Statements, and, in the case of the A-HTRUST Auditors, Ascott Reit's "**serviced residence properties**", as reflected in the Ascott Reit FY2018 Financial Statements, have been prepared, in all material respects, in accordance with the relevant accounting policies of the A-HTRUST Group, consistently applied (respectively, the "**Ascott Reit Auditors Opinion**" and "**A-HTRUST Auditors Opinion**").

The Ascott Reit Composite Document despatched to the Ascott Reit Unitholders will contain a copy of the Ascott Reit Auditors Opinion and the A-HTRUST Scheme Document despatched to the A-HTRUST Stapled Unitholders will contain a copy of the A-HTRUST Auditors Opinion.

#### **11.4 Overseas Unitholders**

The applicability of the Ascott Reit Scheme, the Combination and the A-HTRUST Scheme to Ascott Reit Unitholders and A-HTRUST Stapled Unitholders, respectively, whose addresses are outside Singapore, as shown on the Register of Unitholders of Ascott Reit and A-HTRUST, respectively, or as the case may be, in the records of The Central Depository (Pte) Limited ("**Overseas Unitholder**"), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Unitholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Ascott Reit Composite Document or the A-HTRUST Scheme Document to any overseas jurisdiction, the Ascott Reit Manager and the A-HTRUST Managers (as the case may be) reserve the right not to send such documents to the Ascott Reit Unitholders or the A-HTRUST Stapled Unitholders (as the case may be) in such overseas jurisdiction. For the avoidance of doubt, the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme are being proposed to all the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders (as the case may be) (including, in each case, the Overseas Unitholders), including those to whom the Ascott Reit Composite Document or the A-HTRUST Scheme Document (as the case may be) will not be, or may not be, sent, provided that the Ascott Reit Composite Document and the A-HTRUST Scheme Document (as the case may be) do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme (as the case may be) is not being proposed in any jurisdiction in which the introduction or implementation of the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme (as the case may be) would not be in compliance with the laws of such jurisdiction.

**Overseas Unitholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.**

Further details in relation to the Overseas Unitholders will be contained in the Ascott Reit Composite Document and the A-HTRUST Scheme Document.

#### **11.5 Tax**

Ascott Reit Unitholders and A-HTRUST Stapled Unitholders should consult their own tax

advisors on the possible tax implications (if any) of the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition, the A-HTRUST Scheme or any other transactions contemplated by this Announcement. Depending on the individual circumstances of each Ascott Reit Unitholder and A-HTRUST Stapled Unitholder, including his, her or its tax residence and the size of his, her or its holdings in Ascott Reit or A-HTRUST, he, she or it may realise or be deemed under applicable tax laws, regulations and rules to realise a gain or loss arising from the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition, the A-HTRUST Scheme or any other transactions contemplated by this Announcement which is taxable or, as the case may be, not permitted to be deductible in any applicable jurisdiction. Without limitation to the foregoing:

- (a) an A-HTRUST Stapled Unitholder who realises a gain from the disposal of his, her or its A-HTRUST Stapled Units pursuant to the Combination may be subject to tax in Japan if he, she or it (together with his, her or its associates, if applicable) holds more than 5% of all the outstanding A-HTRUST Stapled Units at the relevant time, subject to relief under the Singapore – Japan tax treaty (if applicable for A-HTRUST Stapled Unitholders who are a resident of Singapore for tax purposes); and
- (b) an A-HTRUST Stapled Unitholder who realises a gain from the disposal of his, her or its A-HTRUST Stapled Units pursuant to the Combination may be subject to tax in Australia if he, she or it (together with his, her or its associates, if applicable) holds or has held 10% or more of all the outstanding A-HTRUST Stapled Units at or during the relevant time.

## 11.6 Interests of Directors and Controlling Unitholders

### ***Ascott Reit Relevant Parties in A-HTRUST Relevant Securities***

As at the date hereof, based on the latest information available to the Ascott Reit Manager and save as disclosed in **Schedule 6, Parts 1 and 2**, none of (i) the Ascott Reit Manager, (ii) the Ascott Reit Directors, (iii) the Ascott Reit Trustee (in its capacity as trustee of Ascott Reit), (iv) CL, (v) the directors of CL, (vi) the CL Entities, (vii) the directors of the CL Entities and (viii) Citi (collectively, the “**Ascott Reit Relevant Parties**”):

- (a) owns, controls or has agreed to acquire any A-HTRUST Stapled Units, securities which carry voting rights in A-HTRUST or convertible securities, warrants, options or derivatives in respect of the A-HTRUST Stapled Units or securities which carry voting rights in A-HTRUST (collectively, “**A-HTRUST Relevant Securities**”); or
- (b) has dealt for value in any A-HTRUST Relevant Securities in the period commencing on 3 April 2019, being the date falling three months prior to the date hereof and ending on the date hereof (“**Relevant Period**”), save, in the case of ALI, for the issuance of A-HTRUST Relevant Securities to it (as nominee of the A-HTRUST Managers in connection with the payment of management fees) as publicly disclosed.

As at the date hereof, based on the latest information available to the Ascott Reit Manager and save as disclosed in **paragraph 9**, none of the Ascott Reit Relevant Parties has:

- (i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any A-HTRUST Relevant Securities or the securities of A-HTRUST which might be material to the Combination;
- (ii) received any irrevocable commitment to vote in favour of the Combination in respect of any A-HTRUST Relevant Securities;
- (iii) granted any security interest in respect of any A-HTRUST Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;
- (iv) borrowed any A-HTRUST Relevant Securities from any other person (excluding those which have been on-lent or sold); or
- (v) lent any A-HTRUST Relevant Securities to any other person.

***Ascott Reit Relevant Parties in Ascott Reit Relevant Securities***

As at the date hereof, based on the latest information available to the Ascott Reit Manager and save as disclosed in **Schedule 6, Parts 3 and 4**, none of Ascott Reit Relevant Parties:

- (a) owns, controls or has agreed to acquire any Ascott Reit Units, securities which carry voting rights in Ascott Reit or convertible securities, warrants, options or derivatives in respect of the Ascott Reit Units or securities which carry voting rights in Ascott Reit ("**Ascott Reit Relevant Securities**"); or
- (b) has dealt for value in any Ascott Reit Relevant Securities in the Relevant Period, save for:
  - (i) the issuance of Ascott Reit Relevant Securities to the Ascott Reit Manager pursuant to the payment of fees; and
  - (ii) the issuance or transfer of Ascott Reit Relevant Securities to the Ascott Reit Directors pursuant to the payment of directors' fees.

***A-HTRUST Directors in A-HTRUST Relevant Securities***

As at the date hereof, based on the latest information available to the A-HTRUST Managers and save as disclosed in **Schedule 6, Parts 5 and 6**, none of the A-HTRUST Directors:

- (a) owns, controls or has agreed to acquire any A-HTRUST Relevant Securities; or
- (b) has dealt for value in any A-HTRUST Relevant Securities in the Relevant Period, save for:
  - (i) the issuance of A-HTRUST Relevant Securities to the A-HTRUST Managers pursuant to the payment of fees; and
  - (ii) the issuance of A-HTRUST Relevant Securities to the A-HTRUST Directors pursuant to the payment of directors' fees.

### ***A-HTRUST Directors in Ascott Reit Relevant Securities***

As at the date hereof, based on the latest information available to the A-HTRUST Managers and save as disclosed in **Schedule 6, Parts 7 and 8**, none of the A-HTRUST Directors:

- (a) owns, controls or has agreed to acquire any Ascott Reit Relevant Securities; or
- (b) has dealt for value in any Ascott Reit Relevant Securities in the Relevant Period.

### ***Confidentiality***

- (a) In the interests of confidentiality, the Ascott Reit Manager has not made enquiries prior to the date hereof in respect of certain other parties who are or may be deemed to be acting in concert with the Ascott Reit Trustee and the Ascott Reit Manager in connection with the Combination pursuant to the Code. Similarly, Citi has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Announcement and the relevant disclosures will be made in due course and in the Ascott Reit Composite Document.
- (b) In the interests of confidentiality, the A-HTRUST Managers have not made enquiries prior to the date hereof in respect of certain other parties who are or may be deemed to be acting in concert with the A-HTRUST REIT Trustee and the A-HTRUST Managers in connection with the Combination pursuant to the Code. Similarly, Morgan Stanley has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Announcement and the relevant disclosures will be made in due course and in the A-HTRUST Scheme Document.

### **11.7 Document for Inspection**

Copies of the Scheme Implementation Agreement will be made available for inspection during normal business hours at the offices of:

- (a) the Ascott Reit Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912<sup>11</sup>; and
- (b) the A-HTRUST Managers at 1 Fusionopolis Place, #10-10 Galaxis, Singapore 138522<sup>12</sup>,

in each case, from the date hereof until (and including) the Effective Date.

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<sup>11</sup> Prior appointment with the Ascott Reit Manager is required. Please contact (Ms) Kang Wei Ling, Investor Relations (Tel: +65 6713 2888).

<sup>12</sup> Prior appointment with the A-HTRUST Managers is required. Please contact (Mr) Chee Kum Tin, Investor Relations (Tel: +65 6508 4927).

## **12. RESPONSIBILITY STATEMENTS**

### **12.1 Ascott Reit Manager**

The directors of the Ascott Reit Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement which relate to Ascott Reit and/or the Ascott Reit Manager (excluding those relating to A-HTRUST and/or the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager) are fair and accurate and that there are no other material facts not contained in this Announcement the omission of which would make any statement in this Announcement misleading. The directors of the Ascott Reit Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from A-HTRUST and/or the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager, the sole responsibility of the directors of the Ascott Reit Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Ascott Reit Manager do not accept any responsibility for any information relating to A-HTRUST and/or the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager or any opinion expressed by A-HTRUST and/or the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager.

### **12.2 A-HTRUST REIT Manager and A-HTRUST BT Trustee-Manager**

The directors of the A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement which relate to A-HTRUST and/or A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager (excluding those relating to Ascott Reit and/or the Ascott Reit Manager) are fair and accurate and that there are no other material facts not contained in this Announcement the omission of which would make any statement in this Announcement misleading. The directors of the A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from Ascott Reit and/or the Ascott Reit Manager, the sole responsibility of the directors of the A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager do not accept any responsibility for any information relating to Ascott Reit and/or the Ascott Reit Manager or any opinion expressed by Ascott Reit and/or the Ascott Reit Manager.

By Order of the Board

**ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED**

(Company Registration No. 200516209Z)  
As Manager of Ascott Residence Trust

By Order of the Board

**ASCENDAS HOSPITALITY FUND MANAGEMENT PTE. LTD.**

(Company Registration No. 201133966D)  
As Manager of Ascendas Hospitality Real Estate Investment Trust

**ASCENDAS HOSPITALITY TRUST MANAGEMENT PTE. LTD.**

(Company Registration No. 201135524E)  
As Trustee-Manager of Ascendas Hospitality Business Trust

3 July 2019

*Any queries relating to this Announcement and the Combination should be directed to one of the following:*

**Ascott Residence Trust Management Limited**

(Ms) Kang Wei Ling  
Vice President  
Investor Relations & Asset Management  
Tel: +65 6713 3317  
Email: [kang.weiling@the-ascott.com](mailto:kang.weiling@the-ascott.com)

(Ms) Denise Wong  
Senior Manager  
Investor Relations & Asset Management  
Tel: +65 6713 2151  
Email: [denise.wong@the-ascott.com](mailto:denise.wong@the-ascott.com)

**Citigroup Global Markets Singapore Pte. Ltd.**

Tel: +65 6657 1955

**Ascendas Hospitality Fund Management Pte. Ltd.**

**Ascendas Hospitality Trust Management Pte. Ltd.**

(Mr) Chee Kum Tin  
Senior Manager  
Capital Markets & Investor Relations  
Tel: +65 6508 4927  
Email: [chee.kumtin@capitaland.com](mailto:chee.kumtin@capitaland.com)

**Morgan Stanley Asia (Singapore) Pte.**

Tel: +65 6834 6676

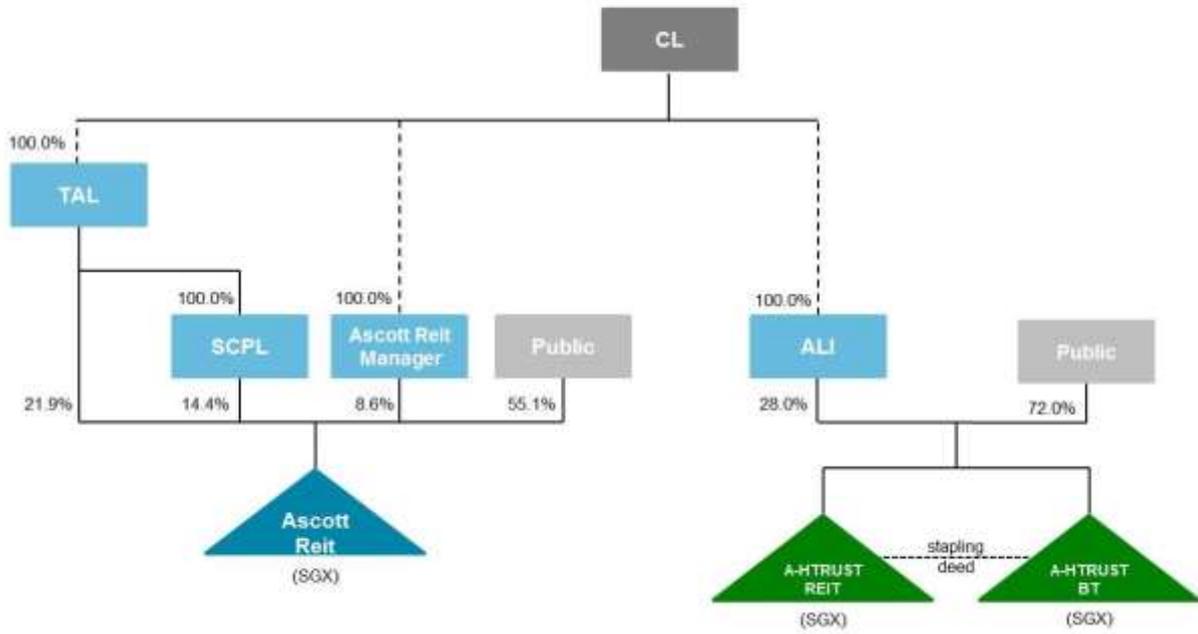
**IMPORTANT NOTICE**

The value of the Ascott Reit Units and the A-HTRUST Stapled Units and the income derived from them may fall as well as rise. The Ascott Reit Units and the A-HTRUST Stapled Units are not obligations of, deposits in, or guaranteed by, the Ascott Reit Manager or the A-HTRUST REIT Manager or the A-HTRUST BT Trustee-Manager (as the case may be) or any of their respective affiliates. An investment in the Ascott Reit Units or the A-HTRUST Stapled Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Ascott Reit Manager or the A-HTRUST REIT Manager or the A-HTRUST BT Trustee-Manager to redeem their Ascott Reit Units or A-HTRUST Stapled Units (as the case may be) while the Ascott Reit Units or the A-HTRUST Stapled Units (as the case may be) are listed. It is intended that Ascott Reit Unitholders and A-HTRUST Stapled Unitholders may only deal in their Ascott Reit Units and A-HTRUST Stapled Units (as the case may be) through trading on the SGX-ST. Listing of the Ascott Reit Units and A-HTRUST Stapled Units on the SGX-ST does not guarantee a liquid market for the Ascott Reit Units and A-HTRUST Stapled Units (as the case may be). This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Ascott Reit Units or A-HTRUST Stapled Units. The past performance of Ascott Reit or A-HTRUST is not necessarily indicative of the future performance of Ascott Reit or A-HTRUST (as the case may be). This Announcement may contain forward-looking statements that

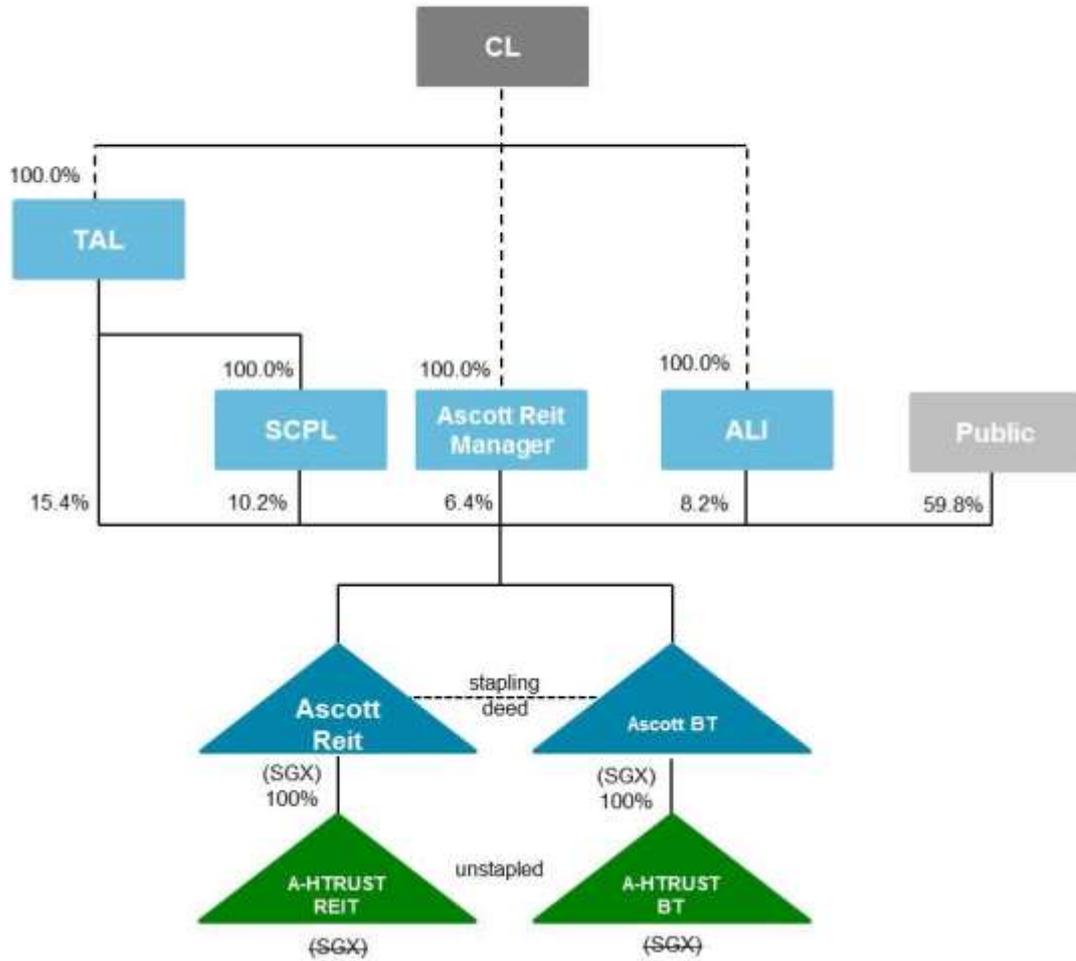
involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) 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 Ascott Reit Manager, the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager's current view on future events.

Schedule 1

STRUCTURE AS AT THE DATE HEREOF



# RESULTANT STRUCTURE



**Schedule 2**  
**Conditions**

- (1) **Unitholders' approvals.** The following approvals set out in **Column (1)** from the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders (as the case may be) having been obtained, based on the approval threshold set out in **Column (2)**, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

No.	Column (1) – Approval	Column (2) – Approval Threshold
<b>Ascott Reit Unitholders</b>		
(i)	The approval by the Ascott Reit Unitholders to amend the Ascott Reit Trust Deed: <ul style="list-style-type: none"> <li>• to facilitate the implementation of the Ascott Reit Scheme;</li> <li>• as may be required or customary for the stapling of the Ascott Reit Units and the Ascott BT Units; and</li> <li>• to provide that the approval threshold for the issuance of Ascott Reit-BT Stapled Units by way of consideration pursuant to a transaction is by way of ordinary resolution,</li> </ul> at the Ascott Reit EGM to be convened.	Not less than 75% of the total number of votes held by the Ascott Reit Unitholders present and voting either in person or by proxy cast for and against this resolution.
(ii)	Subject to <b>paragraph 1(i)</b> having been approved, the approval by the Ascott Reit Unitholders for the Ascott Reit Scheme at the Ascott Reit Scheme Meeting to be convened.	Not less than a majority in number of the Ascott Reit Unitholders representing at least 75% in value of the Ascott Reit Units held by the Ascott Reit Unitholders present and voting either in person or by proxy cast for and against this resolution.
(iii)	Subject to <b>paragraphs 1(i) and (ii)</b> having been approved, the approval by the Ascott Reit Unitholders for the Ascott Reit Acquisition at the Ascott Reit EGM to be convened.	More than 50% of the Ascott Reit Unitholders present and voting either in person or by proxy cast for and against this resolution.
(iv)	Subject to <b>paragraphs 1(i), (ii) and (iii)</b> having been approved, the approval by the Ascott Reit Unitholders for the issuance of the Consideration Units at the Ascott Reit EGM to be convened.	More than 50% of the Ascott Reit Unitholders present and voting either in person or by proxy cast for and against this resolution.
<b>A-HTRUST Stapled Unitholders</b>		
(v)	The approval by the A-HTRUST Stapled Unitholders to amend the A-HTRUST Trust Deeds to facilitate the implementation of the A-HTRUST Scheme at the A-HTRUST EGM to be convened.	Not less than 75% of the total number of votes held by the A-HTRUST Stapled Unitholders present and voting either in person or by proxy cast for and against this resolution.
(vi)	Subject to <b>paragraph 1(v)</b> being approved, the approval by the A-HTRUST Stapled Unitholders for the A-HTRUST Scheme at the A-HTRUST Scheme Meeting to be convened.	Not less than a majority in number of the A-HTRUST Stapled Unitholders representing at least 75% in value of the A-HTRUST Stapled Units held by the A-HTRUST Stapled Unitholders present and voting either in person or by proxy cast for and against this resolution.

No.	Column (1) – Approval	Column (2) – Approval Threshold
<b>Ascott Reit Unitholders and A-HTRUST Stapled Unitholders</b>		
(vii)	The approval by the Ascott Reit Unitholders or the A-HTRUST Stapled Unitholders, as the case may be, as are necessary or required pursuant to applicable Laws (including the Code, the Listing Manual, the Property Funds Appendix and the Business Trusts Act (Cap. 31A) of Singapore) or by a Court, the SIC, the MAS, the SGX or any other governmental authority, for or in respect of the implementation of the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme and the transactions contemplated under the Scheme Implementation Agreement.	

**(2) Regulatory approvals.** The following regulatory approvals having been obtained, and such approvals not having been cancelled, revoked, withdrawn or expired on or prior to the Relevant Date:

- (a) confirmations or exemptions from the MAS that:
- (i) (x) the Combination will not require two independent valuations of the real estate assets of A-HTRUST, with one of the valuers commissioned independently by the Ascott Reit Trustee; and
  - (y) the consideration to be paid by the Ascott Reit Trustee to the A-HTRUST Stapled Unitholders need not be at a price not more than the higher of the aggregate of the assessed values of the real estate assets of A-HTRUST undertaken by each of the two independent valuers;
  - (ii) in the event the Combination is implemented, the MAS would have no objection to the withdrawal of the authorisation of the A-HTRUST REIT as an authorised collective investment scheme, and the A-HTRUST REIT as a private sub-trust would no longer be subject to the requirements governing collective investment schemes;
  - (iii) in the event the authorisation of the A-HTRUST REIT as an authorised collective investment scheme is withdrawn pursuant to Section 337 of the SFA, the MAS would have no objections to granting the A-HTRUST REIT an exemption from Section 295(2) of the SFA;
  - (iv) the MAS would grant an exemption from compliance with the requirements set out in Subdivision (3) of Division 2 (Collective Investment Schemes) of Part XIII (Offers of Investments) of the SFA, which relates to prospectus requirements, for the purposes of the A-HTRUST Scheme;
  - (v) the MAS would grant an exemption from the requirement, while the Ascott Reit is stapled to the Ascott BT, for the directors of the Ascott BT Trustee-Manager to be independent under Regulations 12(1)(a) and 12(1)(b) of the Business Trust Regulations; and
  - (vi) while each Ascott Reit Unit is stapled to one Ascott BT Unit:
    - (x) the duty imposed on the Ascott Reit Manager under Section

286(10A)(a) of the SFA (and the corresponding duty imposed on the directors of the Ascott Reit Manager under Section 286(10B)(a) of the SFA) to act in the best interests of the Ascott Reit Unitholders; and

- (y) the duty imposed on the Ascott BT Trustee-Manager under Section 10(2)(a) of the BTA (and the corresponding duty imposed on the directors of the Ascott BT Trustee-Manager under Section 11(1)(a) of the BTA) to act in the best interests of the holders of Ascott BT Units,

may be superseded by an overriding duty to act in the best interests of the A-HTRUST Stapled Unitholders as a whole;

(b) confirmations from the SIC that:

- (i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the A-HTRUST Scheme, subject to any conditions that the SIC may deem fit to impose;
- (ii) the SIC has no objections to the Conditions;
- (iii) that the declaration, making and payment of the A-HTRUST Permitted Distributions, if any, will not be a breach by the A-HTRUST Managers of Note 3 to Rule 5 of the Code;
- (iv) that the SIC has no objections to certain limited scope of proposed disclosures with respect to unitholding in A-HTRUST in the interests of confidentiality;
- (v) that only the Ascott Reit Directors (not the directors of CL) would be required to provide responsibility statements in respect of any documents issued in connection with the Combination, and that the financial information required to be presented under Rule 23.4 of the Code be limited to that of the Ascott Reit Group (and not CL and its subsidiaries and sub-trusts);
- (vi) that, with respect to Ascott Reit, Rule 11.3 of the Code, and with respect to A-HTRUST, Rule 5 of the Code, be waived, and the Ascott Reit Manager or the A-HTRUST Managers (as the case may be) be permitted to elect to receive a portion of its fees (which may include base management fees, performance management fees, acquisition fees and divestment fees) in Ascott Reit Units or A-HTRUST Stapled Units (as the case may be), if any such fees are due to be paid during the offer period with respect to the A-HTRUST Scheme; and
- (vii) the SIC has no objections to the Break Fee;

(c) the grant of:

- (i) the order of the Court sanctioning the Ascott Reit Scheme; and

- (ii) the order of the Court sanctioning the A-HTRUST Scheme;
  - (d) the approval-in-principle from the SGX-ST for:
    - (i) the Ascott Reit Composite Document;
    - (ii) the A-HTRUST Scheme Document;
    - (iii) the proposed delisting of A-HTRUST from the SGX-ST after the A-HTRUST Scheme becomes effective and binding in accordance with its terms;
    - (iv) the listing and quotation of the Ascott Reit-BT Stapled Units; and
    - (v) the listing and quotation of the Consideration Units; and
  - (e) the Treasurer of the Commonwealth of Australia (or his delegate):
    - (i) provides written notice that there are no objections under the Foreign Acquisitions and Takeovers Act 1975 (Cth) of Australia (“**FATA**”) to the Combination (whether conditionally or unconditionally); or
    - (ii) becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the Combination.
- (3) Tax approvals.** The following approvals from the following tax authorities, and such approvals not having been cancelled, revoked, withdrawn or expired on or prior to the Relevant Date:
- (a) confirmation from the Inland Revenue Authority of Singapore (“**IRAS**”) (Comptroller of Stamp Duties) that stamp duty is not chargeable on the transfer of the A-HTRUST REIT Units and the A-HTRUST BT Units to Ascott Reit and Ascott BT, respectively;
  - (b) a tax ruling from the IRAS (Comptroller of Income Tax) that A-HTRUST REIT will be an approved sub-trust and enjoy tax transparency; and
  - (c) in respect of Australia:
    - (i) a private ruling issued by the State Revenue Authority of New South Wales, Australia, that landholder duty applicable on the Ascott Reit Acquisition will be charged at the concessional rate based on the aggregate market value of A-HTRUST BT’s landholdings located in New South Wales, Australia; and
    - (ii) a variation issued by the Australian Tax Office pursuant to section 14-235 of Schedule 1 to the Taxation Administration Act 1953 (Cth) of Australia (“**TAA**”), which varies the rate of withholding tax required under section 14-200 of Schedule 1 to the TAA to nil with respect to the A-HTRUST BT Units held by any A-HTRUST Stapled Unitholder which holds 10% (on an associate inclusive basis, for the purposes of the Australian tax legislation) or more of all the A-HTRUST BT Units as at the date hereof, to the extent that the A-HTRUST Scheme Consideration received by such A-HTRUST Stapled

Unitholder for such A-HTRUST BT Units constitutes Ascott BT Units.

- (4) **No Legal or Regulatory Restraint.** Between the date hereof and up to the Relevant Date (both inclusive), there having been no decree, determination, injunction, judgment or other order (in each case, whether temporary, preliminary or permanent) issued by any court of competent jurisdiction or by any governmental authority which has the effect of enjoining, restraining or otherwise prohibiting the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or any part thereof, and which remains in force and effect as at the Relevant Date.
- (5) **No Prescribed Occurrence.** Between the date hereof and up to the Relevant Date (both inclusive):
- (a) there having been no Prescribed Occurrence in relation to the Ascott Reit Group (“**Ascott Reit Prescribed Occurrence**”), other than as required or contemplated by the Scheme Implementation Agreement, the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or save to the extent disclosed to the Parties; and
  - (b) there having been no Prescribed Occurrence in relation to the A-HTRUST Group (“**A-HTRUST Prescribed Occurrence**”), other than as required or contemplated by the Scheme Implementation Agreement, the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or save to the extent disclosed to the Parties.
- (6) **No Breach of Warranties and Covenants.** With respect to:
- (a) Ascott Reit:
    - (i) there having been no breach of the Ascott Reit Warranties which are material in the context of the Combination as at the date hereof and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date); and
    - (ii) the Ascott Reit Manager having in all material respects performed and complied with the Ascott Reit Material Covenants which are required to be performed or complied with by it on or prior to the Relevant Date; and
  - (b) A-HTRUST:
    - (i) there having been no breach of the A-HTRUST Warranties which are material in the context of the Combination as at the date hereof and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date); and
    - (ii) the A-HTRUST Managers having in all material respects performed and complied with the A-HTRUST Material Covenants which are required to be performed or complied with by it on or prior to the Relevant Date.

(7) **No Material Adverse Effect.** There having been:

- (a) no occurrence of any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated NTA of the Ascott Reit Group by more than 10% as compared with the consolidated NTA of the Ascott Reit Group of S\$2,644.1 million as at 31 December 2018 as stated in the Ascott Reit FY2018 Financial Statements (“**Ascott Reit Material Adverse Effect**”) from the date hereof up to the Relevant Date (both inclusive); and
- (b) no occurrence of any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated NTA of the A-HTRUST Group by more than 10% as compared with the consolidated NTA of the A-HTRUST Group of S\$1,153.6 million as at 31 March 2019 as stated in the A-HTRUST FY2018/2019 Financial Statements (“**A-HTRUST Material Adverse Effect**”) from the date hereof up to the Relevant Date (both inclusive).

**Schedule 3**  
**Prescribed Occurrences**

1. Amendment of Ascott Reit Trust Deed or A-HTRUST Trust Deeds
2. Consolidation or sub-division of Ascott Reit Units and A-HTRUST Stapled Units
3. Issuance of Ascott Reit Units, A-HTRUST Stapled Units or shares, units or equity securities in any Ascott Reit Group Entities or A-HTRUST Group Entities
4. Securities buy-backs or repurchase
5. Declaration, making or payment of distributions, save for Ascott Reit Permitted Distributions, A-HTRUST Permitted Distributions or distributions to be made pursuant to **paragraph 7.1(b)** of this Announcement
6. Incurrence of additional borrowings or indebtedness, entry into guarantees, indemnities or other similar arrangements or creation of encumbrances over the assets or undertakings of an Ascott Reit Group Entity or A-HTRUST Group Entity
7. Entry into material hedging or other derivative or off-balance sheet transactions
8. Making or incurrence of material capital expenditure
9. Material acquisitions and material disposals of real property or other assets
10. Certain agreements with respect to real property, such as the amendment, modification or varying of any title documents with respect to such property
11. Any Ascott Reit Group Entity or A-HTRUST Group Entity, or their respective directors, being subject to any governmental or regulatory investigations or proceedings
12. Initiation, compromise or settlement of any material legal action or proceedings
13. Ascott Reit or A-HTRUST being suspended or removed from the Main Board of the SGX-ST
14. Cessation of business of any Ascott Reit Group Entity or A-HTRUST Group Entity
15. Amendment of accounting policies of the Ascott Reit Group or the A-HTRUST Group
16. Resolutions for winding up, insolvency or similar proceedings of any Ascott Reit Group Entity or any A-HTRUST Group Entity
17. Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any Ascott Reit Group Entity or any A-HTRUST Group Entity to do any of the foregoing

**Schedule 4**  
**Break Fee and Reverse Break Fee**

**1. Break Fee and Reverse Break Fee Triggers**

- (a) Subject to **paragraphs 2 and 3** of this **Schedule 4**, the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager have agreed (jointly, and not jointly and severally or severally) to pay the Break Fee to the Ascott Reit Trustee (without withholding or set-off):
- (i) if the Scheme Implementation Agreement is terminated by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an A-HTRUST Termination Event occurs, provided always that in the case of an A-HTRUST Termination Event that arises by reason of an A-HTRUST Superior Competing Offer, such payment of the Break Fee shall only be made in the event that the A-HTRUST Superior Competing Offer results in at least a majority of the A-HTRUST Stapled Units being held by a person and its concert parties (other than the Ascott Reit Trustee or the Ascott Reit Manager) at the completion of the A-HTRUST Superior Competing Offer; or
  - (ii) if the Ascott Reit Trustee or the Ascott Reit Manager terminates the Scheme Implementation Agreement pursuant to **paragraph 7.2(b)** above in relation to **paragraph 5(b)** or **6(b)** of **Schedule 2**, **paragraph 7.2(c)(iv)** or **7.2(c)(v)**.
- (b) Subject to **paragraphs 2 and 3** of this **Schedule 4**, the Ascott Reit Trustee has agreed to pay the Reverse Break Fee to (in aggregate) the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager (without withholding or set-off):
- (i) if the Scheme Implementation Agreement is terminated by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an Ascott Reit Termination Event occurs; or
  - (ii) if the A-HTRUST REIT Trustee or any A-HTRUST Manager terminates the Scheme Implementation Agreement pursuant to **paragraph 7.2(b)** above in relation to **paragraph 5(a)** or **6(a)** of **Schedule 2**, **paragraph 7.2(c)(ii)** or **paragraph 7.2(c)(iii)**.

For this purpose:

- (w) “**A-HTRUST Competing Offer**” means any expression of interest, offer or proposal by any Person, acting together with its concert parties, other than the Ascott Reit Trustee or the Ascott Reit Manager involving:
- (a) a sale, conveyance, transfer, assumption or other disposal (“**disposal**”) of any direct or indirect interest in some or all of the A-HTRUST Stapled Units exceeding 5% of all the A-HTRUST Stapled Units, whether in a single transaction or series of related transactions;

- (b) an allotment or issuance of the A-HTRUST Stapled Units or securities in any A-HTRUST Group Entity (or convertible securities in respect of such A-HTRUST Stapled Units or securities) in each case exceeding 5% of all the A-HTRUST Stapled Units or such securities, as the case may be, immediately after such allotment or issuance, whether in a single transaction or series of related transactions;
  - (c) a material disposal of any real property, assets or securities in any A-HTRUST Group Entity (save for the A-HTRUST Stapled Units);
  - (d) an offer (whether partial or otherwise) for the A-HTRUST Stapled Units;
  - (e) a scheme of arrangement involving A-HTRUST or any A-HTRUST Group Entity or the merger of A-HTRUST or any A-HTRUST Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any A-HTRUST Group Entity (other than A-HTRUST), such scheme of arrangement or merger is material to the A-HTRUST Group (taken as a whole);
  - (f) any agreement or other arrangement intended to achieve or having an effect similar to any of **paragraph (a) to (e)**; or
  - (g) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate, or delay or impede, the Combination, the Ascott Reit Acquisition or the A-HTRUST Scheme;
- (x) **“A-HTRUST Superior Competing Offer”** means a *bona fide* A-HTRUST Competing Offer that the A-HTRUST Independent Directors, acting in good faith and after taking advice from their legal and financial advisers, determine is:
- (a) of a higher financial value and more favourable to the A-HTRUST Stapled Unitholders than the A-HTRUST Scheme; and
  - (b) reasonably capable of being completed, including its conditions,
- in each case, taking into account all aspects of such A-HTRUST Competing Offer;
- (y) **“A-HTRUST Termination Event”** means either of:
- (a) with respect to the A-HTRUST Scheme:
    - (i) the A-HTRUST Scheme Document does not state that at least a majority of the A-HTRUST Independent Directors recommend that the A-HTRUST Stapled Unitholders approve the A-HTRUST Scheme;
    - (ii) a majority or more of the A-HTRUST Independent Directors withdraw or adversely change or adversely qualify their recommendation that

the A-HTRUST Stapled Unitholders approve the A-HTRUST Scheme; or

- (iii) any A-HTRUST Independent Director makes any public statement to the effect, or takes any other action that suggests, that the A-HTRUST Scheme is no longer considered, recommended or supported by at least a majority of the A-HTRUST Independent Directors (unless any such statement is publicly retracted or clarified, in each case, in writing and to the reasonable satisfaction of the Ascott Reit Trustee and the Ascott Reit Manager, within one business day after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so),

in each case, unless the A-HTRUST IFA advises the A-HTRUST Independent Directors to recommend that the A-HTRUST Stapled Unitholders do not vote in favour of the A-HTRUST Scheme; and

- (b) with respect to any A-HTRUST Superior Competing Offer:
  - (i) any announcement, notice, release, circular, scheme document, offer information statement or any other information released by any A-HTRUST Manager to A-HTRUST Stapled Unitholders states that at least a majority of the A-HTRUST Directors recommend that the A-HTRUST Stapled Unitholders approve such A-HTRUST Superior Competing Offer;
  - (ii) any one or more A-HTRUST Director makes any public statement to the effect, or takes any other action that suggests, that at least a majority of the A-HTRUST Directors recommend that the A-HTRUST Stapled Unitholders approve such A-HTRUST Superior Competing Offer (unless any such statement is publicly retracted or clarified, in each case, in writing and to the reasonable satisfaction of the Ascott Reit Trustee and the Ascott Reit Manager, within one business day after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so); or
  - (iii) the A-HTRUST REIT Trustee or any A-HTRUST Manager enters into an agreement with any Person (other than the Ascott Reit Trustee or the Ascott Reit Manager) to implement, to co-operate or to take any step with respect to such A-HTRUST Superior Competing Offer;
- (z) **“Ascott Reit Termination Event”** means, with respect to the Ascott Reit Acquisition:
  - (a) the Ascott Reit Composite Document does not state that at least a majority of the Ascott Reit Independent Directors recommend that the Ascott Reit Unitholders approve the Ascott Reit Acquisition;
  - (b) a majority or more of the Ascott Reit Independent Directors withdraw or adversely change or adversely qualify their recommendation that the Ascott Reit Unitholders approve the Ascott Reit Acquisition; or

- (c) any Ascott Reit Independent Director makes any public statement to the effect, or takes any other action that suggests, that the Ascott Reit Acquisition is no longer considered, recommended or supported by at least a majority of the Ascott Reit Independent Directors (unless any such statement is publicly retracted or clarified, in each case, in writing and to the reasonable satisfaction of the A-HTRUST REIT Trustee and the A-HTRUST Managers, within one business day after being given notice by the A-HTRUST REIT Trustee or any A-HTRUST Manager to do so),

in each case, unless the Ascott Reit IFA advises the Ascott Reit Independent Directors to recommend that the Ascott Reit Unitholders do not vote in favour of the Ascott Reit Acquisition.

**2. A-HTRUST Scheme Being Effective**

Notwithstanding the occurrence of any event in **paragraph 1** of this **Schedule 4**, if the A-HTRUST Scheme becomes effective, no Break Fee or Reverse Break Fee shall be payable under **paragraph 1** of this **Schedule 4**.

**3. Compliance with Applicable Laws**

If it is finally determined following the exhaustion of all reasonable avenues of appeal to a Court or the SIC that all or any part of the Break Fee or the Reverse Break Fee would, if paid, be unlawful for any reason, or involves a breach of the fiduciary or statutory duties of the Ascott Reit Directors or the A-HTRUST Directors, as the case may be, then (a) the requirement to pay the Break Fee or the Reverse Break Fee, as the case may be, shall not apply to the extent of such amount and (b) if the relevant recipient of the Break Fee or the Reverse Break Fee, as the case may be, has received such amount, such amount shall be refunded in full and in cash by such recipient to such payor.

**Schedule 5**  
**Indicative Timeline**

All dates and times referred to below are to Singapore dates and times. This timetable is indicative only and is subject to change.

<b>Event</b>	:	<b>Timing</b>
Date of this Announcement	:	3 July 2019
Date of first Court hearing of the application to convene the Ascott Reit Scheme Meeting and the A-HTRUST Scheme Meeting (" <b>Meetings</b> ") <sup>13</sup>	:	September 2019
Ascott Reit EGM, A-HTRUST EGM and Meetings	:	October 2019
Date of second Court hearing of application to approve Ascott Reit Scheme and A-HTRUST Scheme <sup>13</sup>	:	November 2019
<ul style="list-style-type: none"> <li>• Books closure date with respect to the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions;</li> <li>• Ascott Reit Scheme Entitlement Date; and</li> <li>• A-HTRUST Scheme Entitlement Date</li> </ul>	:	
Effective Date of Ascott Reit Scheme and A-HTRUST Scheme	:	
Payment of A-HTRUST Scheme Consideration to A-HTRUST Stapled Unitholders	:	December 2019
Trading of Consideration Units	:	
Delisting of A-HTRUST	:	

<sup>13</sup> The dates of the Court hearing will depend on the dates that are allocated by the Court.

**Schedule 6**  
**Interests of Directors and Controlling Unitholders**

**Part 1 – Ascott Reit Relevant Parties’ Unitholdings in A-HTRUST Relevant Securities**

Name	Direct		Deemed	
	No. of A-HTRUST Stapled Units	% <sup>2</sup>	No. of A-HTRUST Stapled Units	% <sup>2</sup>
CL	-	-	318,783,878 <sup>14</sup>	28.04
Goh Soon Keat Kevin (Director of SCPL)	80,000	0.007	-	-
ALI	318,783,878	28.04	-	-
Manohar Khatani (Director of ALI)	52,000	0.005	-	-
Yap Neng Tong (Director of ALI)	65,000	0.006	50,000 <sup>15</sup>	0.004
Citigroup Global Markets Limited	259,600	0.02	131,100 <sup>16</sup>	0.01

**Part 2 – Ascott Reit Relevant Parties’ Dealings in A-HTRUST Relevant Securities in Relevant Period**

Name	Date	No. of A-HTRUST Stapled Units Bought	No. of A-HTRUST Stapled Units Sold	Transaction Price per A-HTRUST Stapled Unit (\$)	% <sup>2</sup>
-	-	-	-	-	-

<sup>14</sup> CL is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, ALI.

<sup>15</sup> Yap Neng Tong is deemed to have an interest in the unitholdings of his spouse.

<sup>16</sup> The deemed interest held by Citigroup Global Markets Limited is due to stock lending.

### Part 3 – Ascott Reit Relevant Parties’ Unitholdings in Ascott Reit Relevant Securities

Name	Direct		Deemed	
	No. of Ascott Reit Units	% <sup>1</sup>	No. of Ascott Reit Units	% <sup>1</sup>
Ascott Reit Manager	187,545,049	8.62	-	-
Tan Beng Hai, Bob (Director of Ascott Reit Manager)	70,938	0.0033	-	-
Beh Siew Kim (Director of Ascott Reit Manager)	269,837	0.0124	-	-
Zulkifli Bin Baharudin (Director of Ascott Reit Manager)	84,174	0.0039	-	-
Sim Juat Quee Michael Gabriel (Director of Ascott Reit Manager)	38,250	0.0018	-	-
Elaine Carole Young (Director of Ascott Reit Manager)	103,312	0.0048	-	-
Lee Chee Koon (Director of Ascott Reit Manager)	46,440	0.0021	-	-
Lim Cho Pin Andrew Geoffrey (Director of Ascott Reit Manager)	25,800	0.0012	-	-
CL	-	-	977,834,653 <sup>17</sup>	44.96
TAL	476,152,416	21.89	314,137,188 <sup>18</sup>	14.44
SCPL	314,137,188	14.44	-	-
Goh Soon Keat Kevin (Director of SCPL)	107,740	0.005	-	-
Yeong Lai Meng (Director of SCPL)	45,150	0.0021	-	-
Manohar Khatani (Director of ALI)	41,200	0.002	-	-
Yap Neng Tong (Director of ALI)	32,000	0.001	-	-
Citigroup Global Markets Limited	14,800	0.001	105,000 <sup>19</sup>	0.005
Citigroup Global Markets Inc.	-	-	100,000 <sup>20</sup>	0.005

### Part 4 – Ascott Reit Relevant Parties’ Dealings in Ascott Reit Relevant Securities in Relevant Period

Name	Date	No. of A-Ascott Reit Units Bought	No. of Acott Reit Units Sold	Transaction Price per Ascott Reit Unit (\$)	% <sup>1</sup>
-	-	-	-	-	-

<sup>17</sup> CL is deemed to have an interest in the unitholdings of its wholly-owned subsidiaries, TAL, SCPL and the Ascott Reit Manager.

<sup>18</sup> TAL is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, SCPL.

<sup>19</sup> The deemed interest held by Citigroup Global Markets Limited is due to stock lending.

<sup>20</sup> The deemed interest held by Citigroup Global Markets Inc. is due to stock lending

**Part 5 – A-HTRUST Directors’ Unitholdings in A-HTRUST Relevant Securities**

Name	Direct		Deemed	
	No. of A-HTRUST Stapled Units	% <sup>2</sup>	No. of A-HTRUST Stapled Units	% <sup>2</sup>
Miguel Ko	2,000,000 <sup>21</sup>	0.0920	-	-
Chia Kim Huat	115,000	0.0101	-	-
Tan Juay Hiang	125,000	0.0101	-	-
Manohar Khiatani	52,000	0.0046	-	-
Willy Shee Ping Yah	-	-	162,000 <sup>22</sup>	0.0143

**Part 6 – A-HTRUST Directors’ Dealings in A-HTRUST Relevant Securities in Relevant Period**

Name	Date	No. of A-HTRUST Stapled Units Bought	No. of A-HTRUST Stapled Units Sold	Transaction Price per A-HTRUST Stapled Unit (\$)	% <sup>2</sup>
-	-	-	-	-	-

**Part 7 – A-HTRUST Directors’ Unitholdings in Ascott Reit Relevant Securities**

Name	Direct		Deemed	
	No. of Ascott Reit Units	% <sup>1</sup>	No. of Ascott Reit Units	% <sup>1</sup>
Manohar Khiatani	41,200	0.0019	-	-

**Part 8 – A-HTRUST Directors’ Dealings in Ascott Reit Relevant Securities in Relevant Period**

Name	Date	No. of Ascott Reit Units Bought	No. of Ascott Reit Units Sold	Transaction Price per Ascott Reit Unit (\$)	% <sup>1</sup>
-	-	-	-	-	-

<sup>21</sup> Miguel Ko holds the 2,000,000 A-HTRUST Stapled Units jointly with his spouse.

<sup>22</sup> Willy Shee Ping Yah is deemed interested in the 162,000 A-HTRUST Stapled Units held by his spouse.