

CIRCULAR DATED 29 OCTOBER 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this circular dated 29 October 2024 to the holders of stapled securities of CapitaLand Ascott Trust (the “**Circular**”, and the holders of stapled securities of CapitaLand Ascott Trust, the “**Stapled Securityholders**”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional or independent adviser immediately.

If you have sold or transferred all your stapled securities in CapitaLand Ascott Trust (“**CLAS**”), you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting and the Proxy Form) may be accessed at CLAS’ website at https://investor.capitalandascotttrust.com/agm_egm.html and on the SGX website at <https://www.sgx.com/securities/company-announcements>.



CAPITALAND ASCOTT TRUST

A stapled group comprising:

CapitaLand Ascott Real Estate Investment Trust

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

Managed by

CapitaLand Ascott Trust Management Limited

(Company Registration No. 200516209Z)

CapitaLand Ascott Business Trust

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

Managed by

CapitaLand Ascott Business Trust Management Pte. Ltd.

(Company Registration No. 201925299R)

CIRCULAR TO STAPLED SECURITYHOLDERS IN RELATION TO:

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

Independent Financial Adviser pursuant to Rule 921(4)(a) of the Listing Manual of the SGX-ST as well as to the Independent Directors and the Audit and Risk Committee of CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott Real Estate Investment Trust) and DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust):

PricewaterhouseCoopers Corporate Finance Pte. Ltd.

(Company Registration No. 197501605H)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES FOR STAPLED SECURITYHOLDERS

Last date and time for submission of questions in advance of the Extraordinary General Meeting (“ EGM ”)	:	Monday, 11 November 2024 at 2.00 p.m. Singapore time
Last date and time for submission of instruments appointing a proxy(ies)	:	Saturday, 16 November 2024 at 2.00 p.m. Singapore time
Date and time of EGM	:	Monday, 18 November 2024 at 2.00 p.m. Singapore time
Venue of EGM	:	Heliconia Ballroom, Level 3, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956

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CORPORATE INFORMATION

Directors of the Managers (as defined herein)	:	Mr Lui Chong Chee (Chairman and Non-Executive Independent Director) Ms Teo Joo Ling, Serena (Chief Executive Officer and Executive Non-Independent Director) Mr Sim Juat Quee Michael Gabriel (Non-Executive Independent Director) Mr Chia Kim Huat (Non-Executive Independent Director) Ms Deborah Lee Siew Yin (Non-Executive Independent Director) Mr Max Loh Khum Whai (Non-Executive Independent Director) Mr Goh Soon Keat Kevin (Non-Executive Non-Independent Director) Ms Beh Siew Kim (Non-Executive Non-Independent Director)
Registered Office of the Managers	:	168 Robinson Road #30-01 Capital Tower Singapore 068912
Trustee of CapitaLand Ascott Real Estate Investment Trust	:	DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust) 12 Marina Boulevard Level 44, Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Managers as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the REIT Trustee (as defined herein) as to Singapore Law	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Stapled Security Registrar and Stapled Security Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632

- Independent Financial Adviser pursuant to Rule 921(4)(a) of the Listing Manual of the SGX-ST as well as to the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee** : PricewaterhouseCoopers Corporate Finance Pte. Ltd.
7 Straits View
#12-00 Marina One East Tower
Singapore 018936
- Independent property valuers (the “Independent Valuers”, each an “Independent Valuer”)** : SG&R Singapore Pte Ltd
137 Market Street
#04-02 Grace Global Raffles
Singapore 048943
- Colliers International Consultancy & Valuation (Singapore) Pte Ltd
12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961
- Market research consultant** : Colliers International Consultancy & Valuation (Singapore) Pte Ltd
12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 33 to 38 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

OVERVIEW OF CLAS

CapitaLand Ascott Trust (“**CLAS**”) is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (“**CapitaLand Ascott REIT**”) and CapitaLand Ascott Business Trust (“**CapitaLand Ascott BT**”) pursuant to a stapling deed dated 9 September 2019 (as amended from time to time) (the “**Stapling Deed**”). CLAS is managed by CapitaLand Ascott Trust Management Limited (in its capacity as manager of CapitaLand Ascott REIT) (the “**REIT Manager**”) and CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT) (the “**BT Trustee-Manager**”, and together with the REIT Manager, collectively, the “**Managers**”), both of which are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited (“**CLI**”), a leading global real estate investment manager with a strong Asia foothold. The REIT Manager was appointed manager of CapitaLand Ascott REIT in accordance with the terms of the trust deed constituting CapitaLand Ascott REIT dated 19 January 2006 (as amended from time to time) between the REIT Manager and DBS Trustee Limited, in its capacity as the trustee of CapitaLand Ascott REIT (the “**REIT Trustee**”, and the trust deed, the “**CapitaLand Ascott REIT Trust Deed**”). The BT Trustee-Manager was appointed the trustee-manager of CapitaLand Ascott BT in accordance with the terms of the trust deed constituting CapitaLand Ascott BT dated 9 September 2019 (as amended from time to time) (the “**CapitaLand Ascott BT Trust Deed**”, and together with the CapitaLand Ascott REIT Trust Deed and the Stapling Deed, the “**Trust Deeds**”).

CLAS’ objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.

CLAS was listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 31 March 2006 and has become the largest lodging trust in the Asia Pacific, with a market capitalisation of S\$3.6 billion as at 18 October 2024, being the latest practicable date prior to the issuance of this Circular (the “**Latest Practicable Date**”) ¹.

CLAS’ existing portfolio as at 30 June 2024 comprises an international portfolio of 102 properties with over 18,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America.

¹ Based on the closing Stapled Security price of S\$0.955 as at the Latest Practicable Date.

SUMMARY OF APPROVAL SOUGHT

The Managers seek approval from the holders of the stapled securities in CLAS (“**Stapled Securities**”, and the holders of Stapled Securities, “**Stapled Securityholders**”) for the proposed acquisition of 100.0% of the issued units in Victory SR Trust, which directly holds 100.0% of the interest in Iyf Funan Singapore, 67 Hill Street, Level 4 Funan, Singapore 179370 (the “**Property**”), and entry into the Master Lease (as defined herein), as an interested person transaction (Ordinary Resolution¹) (the “**Resolution**”).

OVERVIEW OF THE PROPOSED ACQUISITION

Background

The REIT Trustee entered into a conditional unit purchase agreement (the “**Unit Purchase Agreement**”) with Victory SR Pte. Ltd. (the “**Vendor**”) to acquire 100.0% of the issued units in Victory SR Trust (“**VSRT**”), which directly holds 100.0% of the interest in the Property (the “**Proposed Acquisition**”).

Information on the Property

The information on the Property is set out in the table below:

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

Note:

- (1) See paragraph 2.2 of the Letter to Stapled Securityholders for further details including the repayment of Existing Facility (as defined herein) of S\$113.0 million.

1 “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Trust Deeds.

Purchase Consideration and Valuation

The estimated purchase consideration (the “**Purchase Consideration**”) of S\$146.4 million payable to the Vendor by the REIT Trustee in connection with the Proposed Acquisition is based on: (a) the net asset value (“**NAV**”) of VSRT of S\$149.4 million as at 30 June 2024, which takes into account the agreed property value of the Property of S\$263.0 million (the “**Agreed Property Value**”); and (b) agreed adjustments to the NAV¹. The Purchase Consideration is subject to completion adjustments².

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

(See paragraph 2.2 of the Letter to Stapled Securityholders for further details on the Purchase Consideration payable to the Vendor under the Unit Purchase Agreement.)

The REIT Manager has commissioned an Independent Valuer, HVS, to value the Property as at 30 June 2024 using the discounted cash flow method, and the REIT Trustee has commissioned another Independent Valuer, Colliers, to value the Property as at 30 June 2024 using the discounted cash flow method. HVS has valued the Property at S\$265.0 million. Colliers has valued the Property at S\$271.0 million.

(See **Appendix B** for the valuation summary letters and certificates by the Independent Valuers for further details.)

Master Lease

Upon completion of the Proposed Acquisition, the VSRT Trustee, as the master lessor, will enter into a master lease with Iyf Funan Management Pte. Ltd., which is a wholly owned subsidiary of The Ascott Limited, as the master lessee (the “**Master Lessee**”), in relation to the Property (the “**Master Lease**”, and the entry into the Master Lease together with Proposed Acquisition, the “**Proposed Transactions**”).

On the date of completion of the Proposed Acquisition, a deed of appointment and retirement of the manager will be entered into between the VSRT Trustee, CapitaLand Fund Management Pte. Ltd. (in its capacity as the existing manager of VSRT) (the “**Existing VSRT Manager**”) and the REIT Manager, with the Existing VSRT Manager retiring as manager of VSRT and the REIT Manager appointed as the new manager of VSRT.

(See paragraph 2.6 of the Letter to Stapled Securityholders for further details on the Master Lease.)

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

2 As the Purchase Consideration paid is based on the estimated NAV of VSRT, the final Purchase Consideration will need to be adjusted based on the actual adjusted NAV of VSRT as at the date of completion of the Proposed Acquisition.

Total Acquisition Outlay

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

- (i) the estimated Purchase Consideration of S\$146.4 million, subject to completion adjustments;
- (ii) the Loan Repayment Amount of S\$113.0 million;
- (iii) an acquisition fee payable in Stapled Securities to the REIT Manager pursuant to the CapitaLand Ascott REIT Trust Deed for the Proposed Acquisition (the “**Acquisition Fee**”) of approximately S\$2.6 million (being 1.0% of the Enterprise Value¹ of S\$259.4 million)²; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CLAS in connection with the Proposed Acquisition (inclusive of debt financing-related expenses) of approximately S\$3.1 million.

Method of Financing

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

- (i) approximately S\$142.8 million from the divestment proceeds from CLAS’ divestment of Citadines Mount Sophia Singapore which was completed in March 2024 (the “**Citadines Mount Sophia Divestment**”) ³; and
- (ii) approximately S\$119.7 million from debt financing, which includes the amount drawn down under the New Facility Agreement to repay the Existing Facility.

Rationale for and benefits of the Proposed Acquisition

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

- Enhancing distribution per Stapled Security (“**DPS**”) through portfolio reconstitution
- Increasing exposure to a key gateway city with favourable demand-supply dynamics
- Prime asset in an attractive location
- Flagship lyf property with the ability to capture a wide range of demand

(See paragraph 3 of the Letter to Stapled Securityholders for further details.)

1 As defined in the CapitaLand Ascott REIT Trust Deed, where the assets acquired by CapitaLand Ascott REIT are shares in a special purpose vehicle whose primary purpose is to hold/own real estate (directly or indirectly), “**Enterprise Value**” shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by CapitaLand Ascott REIT. In the case of the Proposed Acquisition, the units in VSRT are being acquired by CapitaLand Ascott REIT, thus “**Enterprise Value**” in this context shall mean the sum of the equity value and the total net debt attributable to the units in VSRT being acquired by CapitaLand Ascott REIT.

2 As the Proposed Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee shall be in the form of Stapled Securities and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

3 The net proceeds from the Citadines Mount Sophia Divestment were S\$142.8 million, and 100.0% of such proceeds will be used to partially finance the Total Acquisition Outlay. See the press release on 2 February 2024 relating to the Citadines Mount Sophia Divestment.

INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

As at the Latest Practicable Date, CLI, through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,093,498,700 Stapled Securities, which comprises approximately 28.84% of the total number of Stapled Securities in issue as at the Latest Practicable Date¹, and is therefore regarded as a controlling Stapled Securityholder within the meaning of the Listing Manual of the SGX-ST (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) issued by the Monetary Authority of Singapore (“**MAS**”, and a controlling Stapled Securityholder, a “**Controlling Stapled Securityholder**”) ² of CLAS under both the Listing Manual and the Property Funds Appendix.

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

Proposed Acquisition

The Vendor is indirectly 50.0% owned by The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate⁴ of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” and (for the purpose of the Property Funds Appendix) an “interested party” of CLAS.

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

(See paragraph 5.2 of the Letter to Stapled Securityholders for further details.)

1 Based on a total number of 3,791,507,447 Stapled Securities in issue as at the Latest Practicable Date.

2 A person who:

- (a) holds directly or indirectly, 15.0% or more of the total voting rights in CLAS. The SGX-ST may determine that such a person is not a controlling Stapled Securityholder; or
- (b) in fact exercises control over CLAS.

3 A person who:

- (a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The SGX-ST may determine that such a person is not a controlling shareholder; or
- (b) in fact exercises control over a company.

4 For the purposes of the Listing Manual, in the case of a company and in relation to a controlling shareholder (being a company), an “**associate**” means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more. For the purposes of the Property Funds Appendix, in relation to the controlling unitholder of the REIT (being a company), an “**associate**” means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

Master Lease

The Master Lessee is a wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual, the Master Lessee (being an associate of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” of CLAS.

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

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

(See paragraph 5.2 of the Letter to Stapled Securityholders for further details.)

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the Extraordinary General Meeting (“**EGM**”) is indicative only and is subject to change at the Managers’ absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	Date and Time
Last date and time for submission of questions in advance of the EGM	: Monday, 11 November 2024 at 2.00 p.m. (Singapore time)
Last date and time for submission of instruments appointing a proxy(ies)	: Saturday, 16 November 2024 at 2.00 p.m. (Singapore time)
Date and time of the EGM	: Monday, 18 November 2024 at 2.00 p.m. (Singapore time)

If approval for the Proposed Transactions is obtained at the EGM:

Target date for completion of the Proposed Acquisition : 4Q 2024¹

Any changes (including any determination of the relevant dates) to the above timetable will be announced.

¹ While the target date for completion is 4Q 2024, the long stop date for completion is 28 February 2025 or such later date as the parties to the Unit Purchase Agreement may agree.

LETTER TO STAPLED SECURITYHOLDERS

CapitaLand Ascott Trust

A stapled group comprising:

CapitaLand Ascott Real Estate Investment Trust
(a real estate investment trust constituted on
19 January 2006 under the laws of the Republic of Singapore)

CapitaLand Ascott Business Trust
(a business trust constituted on 9 September 2019
under the laws of the Republic of Singapore)

Directors of the Managers (“Directors”)

Registered Office

Mr Lui Chong Chee
(Chairman and Non-Executive Independent Director)
Ms Teo Joo Ling, Serena
(Chief Executive Officer and Executive Non-Independent Director)
Mr Sim Juat Quee Michael Gabriel
(Non-Executive Independent Director)
Mr Chia Kim Huat
(Non-Executive Independent Director)
Ms Deborah Lee Siew Yin
(Non-Executive Independent Director)
Mr Max Loh Khum Whai
(Non-Executive Independent Director)
Mr Goh Soon Keat Kevin
(Non-Executive Non-Independent Director)
Ms Beh Siew Kim
(Non-Executive Non-Independent Director)

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

29 October 2024

To: Stapled Securityholders of CLAS

Dear Sir/Madam

1 SUMMARY OF APPROVAL SOUGHT

The Managers are convening the EGM to seek approval from Stapled Securityholders for the proposed acquisition of 100.0% of the issued units in VSRT, which directly holds 100.0% of the interest in lyf Funan Singapore, and entry into the Master Lease, as an interested person transaction (Ordinary Resolution).

2 RESOLUTION: THE PROPOSED ACQUISITION OF 100.0% OF THE ISSUED UNITS IN VSRT, WHICH DIRECTLY HOLDS 100.0% OF THE INTEREST IN LYF FUNAN SINGAPORE, AND ENTRY INTO THE MASTER LEASE, AS AN INTERESTED PERSON TRANSACTION

2.1 Description of the Property

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

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

Lodging type	Hotel	
Address	67 Hill Street, Level 4 Funan, Singapore 179370	
Master lessee	lyf Funan Management Pte. Ltd.	
Number of rooms	329	
Gross floor area	Approximately 11,347.4 sq m	
Year built	2019	
Title	Leasehold tenure expiring on 11 December 2078 (approximately 54 years remaining)	
Independent Valuer	HVS	Colliers
Valuer commissioned by	REIT Manager	REIT Trustee
Date of Valuation	30 June 2024	30 June 2024
Valuation method	Discounted cash flow method	Discounted cash flow method
Valuation	S\$265.0 million	S\$271.0 million
Agreed Property Value	S\$263.0 million	
Purchase consideration	S\$146.4 million ⁽¹⁾	

Note:

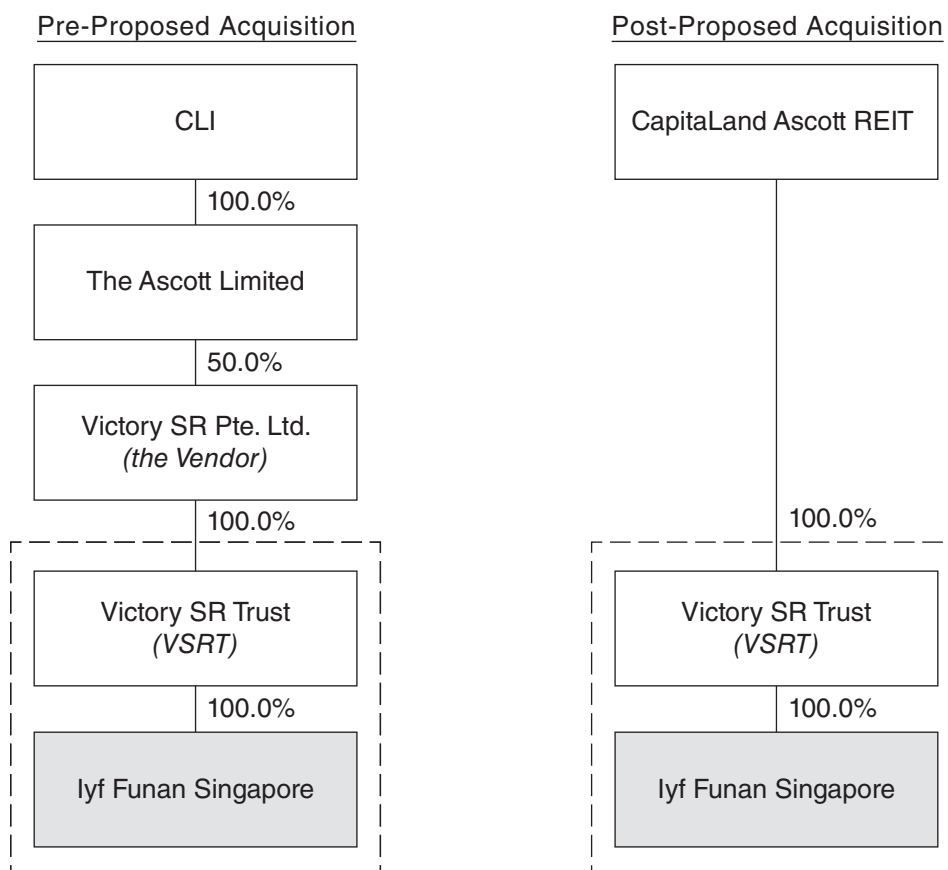
(1) See paragraph 2.2 of the Letter to Stapled Securityholders for further details including the repayment of Existing Facility of S\$113.0 million.

2.2 Structure of the Proposed Acquisition

The REIT Trustee entered into the Unit Purchase Agreement with the Vendor to acquire 100.0% of the issued units in VSRT, which directly holds 100.0% of the interest in the Property. lyf Funan Singapore is part of Funan, and the share value allocated to the Property in relation thereto is 1,275 out of 10,000 shares¹.

¹ The share value is set out in the schedule of strata units filed with and accepted by the Commissioner of Buildings.

A diagrammatic illustration of the Proposed Acquisition is as follows¹:



(See paragraph 5.2 of the Letter to Stapled Securityholders for further information on the relationship between CapitaLand Ascott REIT and the Vendor.)

The estimated Purchase Consideration of S\$146.4 million payable to the Vendor by the REIT Trustee in connection with the Proposed Acquisition is based on: (a) the NAV of VSRT of S\$149.4 million as at 30 June 2024, which takes into account the Agreed Property Value of S\$263.0 million; and (b) agreed adjustments to the NAV². The Purchase Consideration is subject to completion adjustments³.

The Agreed Property Value was negotiated on a willing-buyer and willing-seller basis on an arm's length basis and takes into account factors including the accretion to DPS for Stapled Securityholders, EBITDA (as defined herein) yield which is in line with market transactions as well as the independent valuations of the Property.

The REIT Trustee will enter into the New Facility Agreement, which will be drawn down concurrent with completion of the Proposed Acquisition to repay the Existing Facility.

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

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

3 As the Purchase Consideration paid is based on the estimated NAV of VSRT, the final Purchase Consideration will need to be adjusted based on the actual adjusted NAV of VSRT as at the date of completion of the Proposed Acquisition.

On the date of completion of the Proposed Acquisition, a deed of appointment and retirement of the manager will be entered into between the VSRT Trustee, the Existing VSRT Manager and the REIT Manager, with the Existing VSRT Manager retiring as manager of VSRT and the REIT Manager appointed as the new manager of VSRT. There are no management fees paid pursuant to the trust deed constituting VSRT, as the REIT Manager will only be paid its fees in relation to VSRT pursuant to the CapitaLand Ascott REIT Trust Deed.

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved this deed of appointment and retirement of the manager.

2.3 Valuation

The REIT Manager has commissioned an Independent Valuer, HVS, to value the Property as at 30 June 2024 using the discounted cash flow method, and the REIT Trustee has commissioned another Independent Valuer, Colliers, to value the Property as at 30 June 2024 using the discounted cash flow method. HVS has valued the Property at S\$265.0 million. Colliers has valued the Property at S\$271.0 million.

(See **Appendix B** for the valuation summary letters and certificates by the Independent Valuers for further details.)

2.4 Certain Terms and Conditions of the Unit Purchase Agreement

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

- 2.4.1** The conditions precedent for completion of the Proposed Acquisition include, among others, the following:
- (i) title to the units in VSRT and the Property being in order and free from (a) any encumbrances affecting the title to the units in VSRT or the Property on completion of the Proposed Acquisition and (b) any easements or restrictive covenants affecting the title to the units in VSRT or the Property on completion of the Proposed Acquisition, save for such easements or restrictive covenants affecting the title to the units in VSRT or the Property as disclosed in the documents provided by the Vendor to the REIT Trustee and its professional advisors for the purpose of the REIT Trustee's due diligence investigation of VSRT, or in the title and lot base searches conducted electronically by the REIT Trustee on the Singapore Land Authority's Integrated Land Information Service and the Singapore Titles Automated Registration System in respect of the Property on the date falling one (1) Business Day prior to the date of the Unit Purchase Agreement;
 - (ii) the approval of the Stapled Securityholders at an extraordinary general meeting to be convened;
 - (iii) the REIT Trustee obtaining the approval of the Inland Revenue Authority of Singapore ("**IRAS**") for VSRT to be an approved sub-trust of CapitaLand Ascott REIT for tax transparency; and
 - (iv) the REIT Trustee obtaining the approval of IRAS that the sale and purchase or the transfer of 100.0% of the issued units in VSRT will not attract any stamp duty (including but not limited to buyer stamp duty and additional conveyance duty).

- 2.4.2** The Unit Purchase Agreement may be terminated by the REIT Trustee if:
- (i) the REIT Trustee receives an unsatisfactory legal requisition reply on or before the completion of the Proposed Acquisition;
 - (ii) there is an acquisition or notice of acquisition or intended acquisition by the government or other competent authority affecting the whole or ten percent (10%) or more of the strata area of the Property; or
 - (iii) there is a material damage¹ to the Property.
- 2.4.3** The Vendor has entered into the Unit Purchase Agreement in reliance and conditional upon the REIT Trustee having obtained a warranty and indemnity insurance policy (the “**W&I Policy**”), which provides insurance coverage against any loss arising out of or in connection with a breach of any of the warranties (including property-related warranties) or tax indemnities up to a certain cap².
- 2.4.4** Each of the REIT Trustee and the Vendor is liable for 50% of all premiums payable in respect of the W&I Policy (plus all brokerage fees, commissions, taxes and duty and any other amounts payable to bring the W&I Policy into effect), and the Vendor must pay such amount in full on or before the date of completion of the Unit Purchase Agreement and provide evidence of such payment to the REIT Trustee.
- 2.4.5** The REIT Trustee will not be entitled to make, will not make, and hereby irrevocably waives any right it may have to make, any claim, demand, legal proceedings or cause of action against the Vendor arising out of or in connection with a breach of any warranty or tax indemnity (save in the case of fraud by the Vendor), irrespective of whether or not the W&I Policy covers or responds to such claim, demand, legal proceedings or cause of action and regardless of the extent to which it is able to recover the amount of such a claim, demand, legal proceedings or cause of action from the insurer, except only to the extent required to permit a claim, demand, legal proceedings or cause of action against the insurer but only on the basis that the Vendor will have no liability whatsoever for such claim, demand, legal proceedings or cause of action. Save in the case of fraud by the Vendor, the sole and exclusive remedy of the REIT Trustee arising out of or in connection with a breach of any warranty or tax indemnity shall be under the W&I Policy.

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved the Unit Purchase Agreement.

¹ “**material damage**” means any damage to the Property (or any part thereof):

- (i) such that the cost of reinstating the Property and (or any part thereof) to substantially the same state and condition as at the date of the Unit Purchase Agreement is equivalent to or more than 10.0% of the Agreed Property Value; or
- (ii) which results in a reduction of 10.0% or more of:
 - (a) the strata area of the Property; or
 - (b) the total number of hotel rooms being rendered unusable for the purposes of the hotel comprised in the Property.

² The value of the claim under the W&I Policy must be above a minimum sum of S\$263,000 before there is any payout from the W&I Policy.

2.5 Completion

Completion of the Proposed Acquisition is expected to take place by 4Q 2024¹.

2.6 Certain Terms and Conditions of the Master Lease

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

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

- 2.6.1** The Master Lease is for an initial term of 20 years from the date of completion of the Proposed Acquisition, and such term is renewable for a further five-year period upon mutual agreement by the parties.
- 2.6.2** The rent payable by the Master Lessee to the VSRT Trustee shall be 93.5% of the gross operating profit in relation to the Property (the “**GOP**”), and in the case the GOP is negative, the rent payable shall be zero. Any expenditure for renovations, alterations, rebuilding, replacements, additions and improvements in and to the Property will be presented as part of the annual business plan to the VSRT Trustee for review and approval.
- 2.6.3** The VSRT Trustee shall be responsible for capital expenditure and/or replacements in respect of the furniture, furnishings, fixtures and equipment located in or used in connection with the Property.
- 2.6.4** The operating expenses of the Property (included in the calculation of GOP) and certain other expenses in relation to the operations of the hotel, are to be borne by the Master Lessee and include (i) various fees comprising, *inter alia*, the fees for providing the Ascott BITS², the global marketing services and trademark, the global reservation services, the Ascott Loyalty Programme³ and other shared services (including centralised cluster services) and (ii) the salaries, wages, and benefits of employees for duties that relate to the operation of the Property.

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

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

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

2.6.5 The termination provisions include, among others, the following:

- (i) Either party to the Master Lease shall have the right of termination without compensation in the event of force majeure¹ materially affecting the operational performance of the Property for a period exceeding 12 months.
- (ii) The Master Lessee shall have the option to terminate the Master Lease without any compensation in the event of a sale of the Property to an unrelated party of the REIT Manager².
- (iii) The VSRT Trustee shall have the right of termination without compensation in the event of under-performance, where the actual GOP is less than 80% of the annual GOP as forecasted in the annual business plan for two consecutive fiscal years. The Master Lessee shall have the option to cure such under-performance based on conditions as set out in the Master Lease³.
- (iv) The VSRT Trustee shall also have the option to terminate the Master Lease in the event of a sale or redevelopment, subject to compensation being provided. Such compensation will be calculated based on the remaining lease tenure in years (subject to a maximum of five years) multiplied by 6.5% of the average annualised GOP 24 months prior to termination. No termination compensation shall apply in the event of a redevelopment 13 years after the commencement date of the Master Lease.
- (v) The VSRT Trustee shall have the right of termination without compensation if there is a notice, order or gazette notification issued, made or published in respect of the intended or actual acquisition of the Property.

1 "force majeure" means events which are beyond the control of the parties and which affect the performance of any obligation (except for the payment of monies), or the exercise of any right under the Master Lease, including without limitation the following:

- (a) war, invasion, rebellion, revolution, insurrection or civil war;
- (b) act of government in its sovereign capacity;
- (c) earthquakes, fire, lightning, storms, floods, act of God or any other occurrence caused by the operation of the forces of nature;
- (d) SARS, avian flu, swine flu, pandemic, epidemic, plague or outbreak of communicable disease (excluding any period relating to Covid-19 that does not lead to any nation-wide lockdown or severe emergency measures);
- (e) strikes, lockouts, boycotts or labour disputes affecting the operation of the Property; and
- (f) terrorism, sabotage or arson.

2 If such right of termination is exercised, the Master Lease shall terminate on the date of completion of the sale of the Property.

3 The Master Lessee may cure such under-performance by notifying the VSRT Trustee within 21 days of receipt of the notice of default that the Master Lessee will pay a top-up amount being the difference between (i) the amount equivalent to 93.5% of the annual forecasted GOP for any fiscal year; and (ii) the amount equivalent to 93.5% of the actual GOP for the same fiscal year. If the Master Lessee does not make the top-up payment within 21 days of receipt of the notice of default or the Master Lessee has paid the top-up amount in any two prior fiscal years, the VSRT Trustee may terminate the Master Lease.

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

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved the Master Lease.

2.7 Total Acquisition Outlay

The Total Acquisition Outlay is approximately S\$265.1 million, comprising:

- (i) the estimated Purchase Consideration of S\$146.4 million, subject to completion adjustments;
- (ii) the Loan Repayment Amount of S\$113.0 million;
- (iii) the Acquisition Fee payable in Stapled Securities to the REIT Manager pursuant to the CapitaLand Ascott REIT Trust Deed for the Proposed Acquisition of approximately S\$2.6 million (being 1.0% of the Enterprise Value of S\$259.4 million)¹; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CLAS in connection with the Proposed Acquisition (inclusive of debt financing-related expenses) of approximately S\$3.1 million.

2.8 Method of Financing

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

- (i) approximately S\$142.8 million from the divestment proceeds from the Citadines Mount Sophia Divestment²; and
- (ii) approximately S\$119.7 million from debt financing, which includes the amount drawn down under the New Facility Agreement to repay the Existing Facility.

Based on CLAS' Aggregate Leverage³ as at 30 June 2024 and taking into account the Proposed Acquisition, CLAS' Aggregate Leverage will be at 39.1%, below the aggregate leverage limit of 45.0%⁴ set by the MAS under the Property Funds Appendix.

1 As the Proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee shall be in the form of Stapled Securities and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 The net proceeds from the Citadines Mount Sophia Divestment were S\$142.8 million, and 100.0% of such proceeds will be used to partially finance the Total Acquisition Outlay. See the press release on 2 February 2024 relating to the Citadines Mount Sophia Divestment.

3 "**Aggregate Leverage**" is defined in the Property Funds Appendix as the ratio of CLAS' borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Stapled Securities) to the value of its deposited property.

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

3 RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

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

3.1 Enhancing DPS through portfolio reconstitution

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

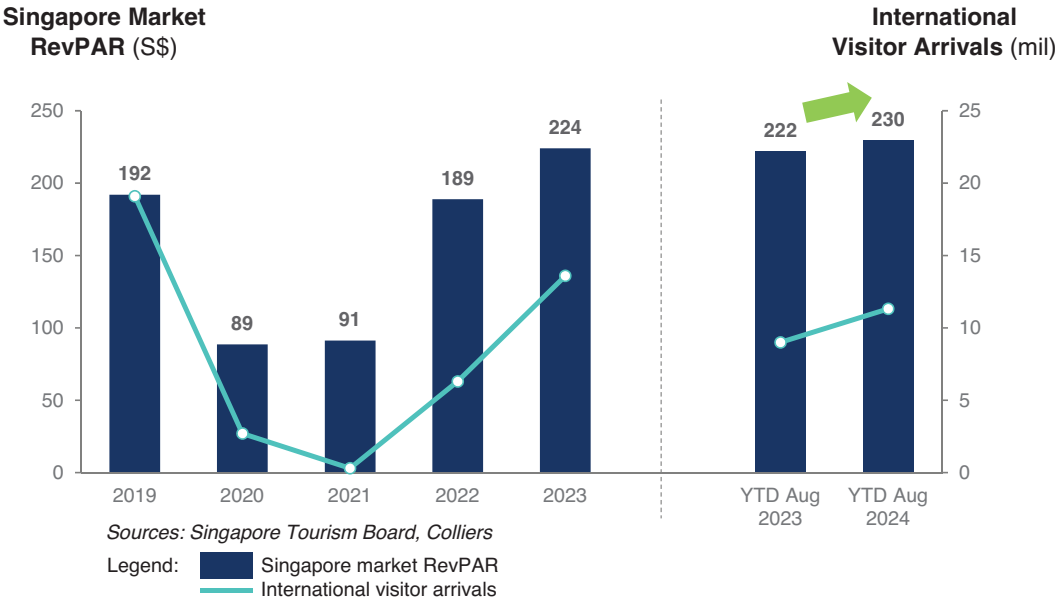
Through the Proposed Acquisition, CLAS will be reinvesting the proceeds from the Citadines Mount Sophia Divestment at higher yields.

The earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) yield¹ of the Proposed Acquisition is 4.7% on a pro forma basis for the financial year ended 31 December 2023 (“**FY2023**”). The entry yield is attractive at 150 basis points higher compared to the exit EBITDA yield² of Citadines Mount Sophia Singapore of 3.2% for FY2023.

Following the Proposed Acquisition and taking into account the Citadines Mount Sophia Divestment, CLAS’ total distribution is expected to increase by S\$3.5 million, which translates to a DPS accretion of 1.5% on a FY2023 pro forma basis.

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

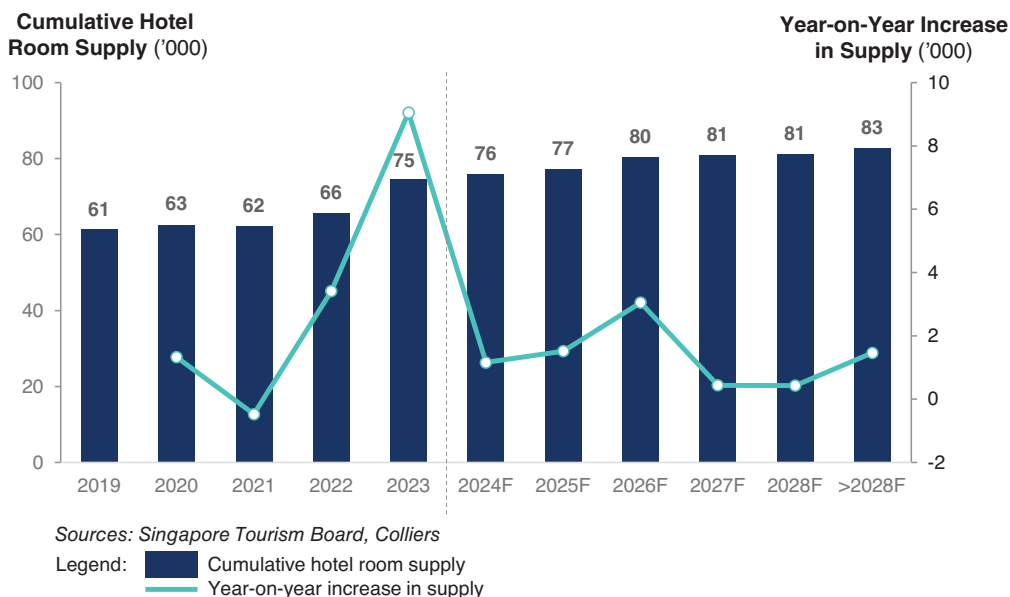
Singapore’s hotel industry performance in 2023 was robust, driven by stronger demand for leisure and business travel. According to the Singapore Tourism Board, the market revenue per available room (“**RevPAR**”) of Singapore hotels exceeded 2019 levels by 16%, driven by significant outperformance in average daily rates. Average occupancy was 80%, compared to 86.9% in 2019³.



1 Computed based on the Agreed Property Value.
 2 Computed based on the divestment price of S\$148.0 million.
 3 Source: Singapore Tourism Analytics Network (September 2024).

The recovery of the travel sector is expected to continue in 2024, on the back of improved global flight connectivity and capacity as well as the implementation of visa-free travel arrangements¹. For the first eight months of 2024, the Singapore hotel market RevPAR increased 3.4% year-on-year². Singapore is set to maintain its status as a global hub, as inbound travel demand continues to be boosted by new attractions and infrastructure projects scheduled to complete between now and 2030.

The demand-supply dynamics of the Singapore hospitality market are favourable over the medium term, as the growth in demand is expected to outpace that of supply. New room supply in Singapore is expected to be muted beyond 2024, at a compound annual growth rate (“CAGR”) of 1.8%, lower than the CAGR of 3.3% from 2015 to 2019³.



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

3.3 Prime asset in an attractive location

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

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

1 Source: Singapore Tourism Board (February 2024) – Singapore’s tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts.
 2 Source: Singapore Tourism Analytics Network (September 2024).
 3 See **Appendix C** for the market research report.

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

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

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

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

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


lyf

Experience-led social living


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

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


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




Community + crew



Stay-work-play social spaces



#lyfgoesLOCAL



Design-centric hotel-in-residences

Flagship lyf property

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

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

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

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

1 Source: Extracted from STR Database.

2 For 1H 2024.

4 PRO FORMA FINANCIAL EFFECTS

4.1 Assumptions

The pro forma financial effects of the Proposed Transactions on the DPS and NAV per Stapled Security presented below are strictly for illustrative purposes, and were prepared based on the audited consolidated financial statements of CLAS for FY2023 (the “**2023 Audited Consolidated Financial Statements**”), taking into account the Agreed Property Value and assuming that:

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

4.2 Pro Forma DPS and Distribution Yield

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed Transactions and the Citadines Mount Sophia Divestment on CLAS’ DPS and distribution yield for FY2023, as if the Proposed Transactions and the Citadines Mount Sophia Divestment were completed on 1 January 2023.

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

Notes:

- (1) Based on the 2023 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2023.
- (3) Adjusted to: (a) include approximately 2.6 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 4.1(iv) of the Letter to Stapled Securityholders); (b) include approximately 0.6 million new Stapled Securities issued as payment of the REIT Manager's management fees for the Proposed Transactions; and (c) exclude approximately 0.3 million Stapled Securities issued as payment of the REIT Manager's management fees for Citadines Mount Sophia Singapore. The Stapled Securities issued as payment of the REIT Manager's management fees were assumed to be issued at the same prices as those that were actually issued as payment for the REIT Manager's management fees for FY2023.
- (4) Based on the closing Stapled Security price of S\$0.99 on 31 December 2023.

4.3 Pro Forma NAV**FOR ILLUSTRATIVE PURPOSES ONLY:**

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

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

Notes:

- (1) Based on the 2023 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2023.
- (3) Adjusted to include approximately 2.6 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 4.1(iv) of the Letter to Stapled Securityholders).

5 REQUIREMENT FOR STAPLED SECURITYHOLDERS' APPROVAL**5.1 Discloseable Transaction**

Chapter 10 of the Listing Manual governs significant transactions by CLAS such as the acquisition or divestment of assets, including options to acquire or dispose of assets. Such transactions are classified into the following categories, as set out in Rule 1004 of the Listing Manual: (a) non-discloseable transactions, (b) discloseable transactions, (c) major transactions and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rule 1006(b) and Rule 1006(c) of the Listing Manual respectively:

- (i) the net profits attributable to the assets acquired, compared with the net profits of CLAS and its subsidiaries (the "**CLAS Group**"); and

- (ii) the aggregate value of the consideration given, compared with CLAS' market capitalisation.

Where any of the relative figures computed on the bases set out above exceeds 5.0%, the transaction is classified as a discloseable transaction. Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving CLAS be made conditional upon approval by Stapled Securityholders in a general meeting. However, the approval of Stapled Securityholders in a general meeting is not required in the case of an acquisition of profitable assets if only paragraph 5.1(i) of the Letter to Stapled Securityholders (i.e. Rule 1006(b) of the Listing Manual) exceeds the relevant 20.0% threshold.

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

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

Notes:

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

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

For the reasons explained in paragraph 5.2 of the Letter to Stapled Securityholders, the Proposed Acquisition would still be subject to Stapled Securityholders' approval under Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

5.2 Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, CLI, through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,093,498,700 Stapled Securities, which comprises approximately 28.84% of the total number of Stapled Securities in issue as at the Latest Practicable Date¹, and is therefore regarded as a Controlling Stapled Securityholder of CLAS under both the Listing Manual and the Property Funds Appendix.

In addition, as the Managers are each a wholly owned subsidiary of CLI, CLI is regarded as a Controlling Shareholder of each of the Managers under both the Listing Manual and the Property Funds Appendix.

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

The Vendor is indirectly 50.0% owned by The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” and (for the purpose of the Property Funds Appendix) an “interested party” of CLAS.

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

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

The Master Lessee is a wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual, the Master Lessee (being an associate of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” of CLAS.

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

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

¹ Based on a total number of 3,791,507,447 Stapled Securities in issue as at the Latest Practicable Date.

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

Under Chapter 9 of the Listing Manual, where CLAS proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, entered into with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CLAS Group's latest audited net tangible assets ("NTA"), Stapled Securityholders' approval is required in respect of the transaction.

Based on the 2023 Audited Consolidated Financial Statements, the NTA of the CLAS Group was S\$4,356.4 million (represented by Stapled Securityholders' funds) as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CLAS with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or exceeds S\$217.8 million, such a transaction would be subject to Stapled Securityholders' approval.

Given that:

- (i) the estimated Purchase Consideration of the Proposed Acquisition is S\$146.4 million and the Loan Repayment Amount is S\$113.0 million; and
- (ii) the aggregate value of the rent under the Master Lease is S\$344.4 million,

the value of the Proposed Transactions is approximately S\$603.8 million, representing approximately 13.9% of the CLAS Group's latest audited NTA.

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

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

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Stapled Securityholders' approval for an interested party transaction by CapitaLand Ascott REIT whose value exceeds 5.0% of CapitaLand Ascott REIT's latest audited NAV.

Based on the 2023 Audited Consolidated Financial Statements, the NAV of CapitaLand Ascott REIT was S\$3,696.2 million (represented by Stapled Securityholders' funds) as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into by CapitaLand Ascott REIT with an interested party is equal to or greater than S\$184.8 million, such a transaction would be subject to Stapled Securityholders' approval.

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

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

5.3 Interests of Directors and Substantial Stapled Securityholders

Mr Goh Soon Keat Kevin, a Non-Executive Non-Independent Director of the Managers, is the Chief Executive Officer, Lodging of CLI. Ms Beh Siew Kim, a Non-Executive Non-Independent Director of the Managers, is the Chief Financial and Sustainability Officer, Lodging of CLI.

Based on the Register of Directors' Stapled Securityholdings maintained by the Managers, the interests of Directors in Stapled Securities as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Stapled Securities Held	%(1)	Awards of Stapled Securities ⁽²⁾ under the REIT Manager's	
	No. of Stapled Securities	%(1)	No. of Stapled Securities	%(1)			Performance Stapled Security Plan	Restricted Stapled Security Plan
Lui Chong Chee	1,000,000	0.026	0	0	1,000,000	0.026	N.A.	N.A.
Teo Joo Ling, Serena	173,894	0.005	0	0	173,894	0.005	0 to 970,136 ⁽³⁾	280,498 ^{(4),(5)}
Sim Juat Quee Michael Gabriel	140,488	0.004	0	0	140,488	0.004	N.A.	N.A.
Chia Kim Huat	159,091	0.004	0	0	159,091	0.004	N.A.	N.A.
Deborah Lee Siew Yin	60,216	0.002	0	0	60,216	0.002	N.A.	N.A.
Max Loh Khum Whai	122,123	0.003	0	0	122,123	0.003	N.A.	N.A.
Goh Soon Keat Kevin	234,319	0.006	0	0	234,319	0.006	N.A.	N.A.
Beh Siew Kim	2,373,188	0.063	0	0	2,373,188	0.063	0 to 443,654 ⁽³⁾	110,914 ^{(4),(5)}

Notes:

- (1) The percentage is based on 3,791,507,447 Stapled Securities in issue as at the Latest Practicable Date and is rounded to the nearest 0.001%.
- (2) This refers to the number of Stapled Securities which are the subject of contingent awards granted but not released under the REIT Manager's Performance Stapled Security Plan ("PSSP") and awards granted but not released under the REIT Manager's Restricted Stapled Security Plan ("RSSP").
- (3) The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods of the PSSP. The final number of Stapled Securities that will be released could range from 0% to a maximum of 200% of the baseline award under the PSSP. The Nominating and Remuneration Committee of the Managers has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. The Stapled Securities released under the PSSP, if any, will be delivered in a combination of Stapled Securities and cash.
- (4) Being the finalised and unvested Stapled Securities under the RSSP.
- (5) On the final vesting, an additional number of Stapled Securities of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RSSP, will also be released.

Save as disclosed in the table below, none of the Directors holds interests in the ordinary shares of CLI (“**CLI Shares**”).

Name of Directors	Direct Interest		Deemed Interest		Total No. of CLI Shares Held	% ⁽¹⁾	Awards of Shares ⁽²⁾ under CLI's		
	No. of CLI Shares	% ⁽¹⁾	No. of CLI Shares	% ⁽¹⁾			Performance Share Plan	Special Founders Performance Share Award	Restricted Share Plan
Teo Joo Ling, Serena	38,193	0.001	0	0	38,193	0.001	N.A.	0 to 280,614 ^{(4),(5)}	N.A.
Chia Kim Huat	33,100	0.001	0	0	33,100	0.001	N.A.	N.A.	N.A.
Goh Soon Keat Kevin	1,528,003	0.031	0	0	1,528,003	0.031	0 to 1,443,941 ^{(3),(5)}	0 to 1,309,543 ^{(4),(5)}	217,786 ^{(6),(7)}
Beh Siew Kim	332,388	0.007	0	0	332,388	0.007	0 to 339,087 ^{(3),(5)}	0 to 467,693 ^{(4),(5)}	72,616 ^{(6),(7)}

Notes:

- (1) The percentage is based on 4,990,116,290 issued shares (excluding treasury shares) as at the Latest Practicable Date and is rounded to the nearest 0.001%.
- (2) This refers to the number of CLI Shares which are the subject of awards granted but not released under CLI's Performance Share Plan 2021 (“**PSP**”) and Restricted Share Plan 2021 (“**RSP**”).
- (3) The final number of CLI Shares to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PSP. For PSP awards granted in 2022, the final number of CLI Shares that will be released could range from 0% to 200% of the baseline award. For PSP awards granted in 2023 and 2024, the final number of CLI Shares that will be released could range from 0% to 300% of the baseline award. The CLI Shares released, if any, will be delivered in a combination of CLI Shares and cash.
- (4) This is a one-time special contingent award granted to selected key executives in CLI group. The final number of CLI Shares that will be released will range from 0% to 300% of the baseline award depending on the achievement of pre-determined targets over a five-year performance period. In the event of early achievement of the targets within the first three years of the qualifying performance period, a maximum of 20% to 50% of the baseline award can be released after the third year (“**Interim Vesting**”). After the end of the five-year performance period, the final number of shares based on the final achievement factor, less any shares released as part of the Interim Vesting, will be released after the fifth year. As the performance conditions for an Interim Vesting have been satisfied, the CLI Executive Resource and Compensation Committee (“**CLI ERCC**”) has approved the release of a percentage of the baseline contingent award to the participants. The Interim Vesting has taken place.
- (5) The CLI ERCC has the discretion to adjust the number of CLI Shares released taking into consideration other relevant quantitative and qualitative factors.
- (6) Being the finalised and unvested CLI Shares under RSP.
- (7) On the final vesting, an additional number of CLI Shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RSP, will also be released.

Based on the information available to the Managers, the interests of the Substantial Stapled Securityholders in Stapled Securities as at the Latest Practicable Date are as follows:

Name of Substantial Stapled Securityholders ⁽¹⁾	Direct Interest		Deemed Interest		Total No. of Stapled Securities Held	% ⁽²⁾
	No. of Stapled Securities	% ⁽²⁾	No. of Stapled Securities	% ⁽²⁾		
Temasek Holdings (Private) Limited ⁽³⁾ (“ Temasek ”)	0	0	1,276,459,827	33.66	1,276,459,827	33.66
Tembusu Capital Pte. Ltd. ⁽⁴⁾ (“ Tembusu ”)	0	0	1,255,606,783	33.11	1,255,606,783	33.11
Bartley Investments Pte. Ltd. ^{(5),(6)} (“ Bartley ”)	0	0	1,247,040,783	32.89	1,247,040,783	32.89
Mawson Peak Holdings Pte. Ltd. ^{(5),(6)} (“ Mawson ”)	0	0	1,247,040,783	32.89	1,247,040,783	32.89
Glenville Investments Pte. Ltd. ^{(5),(6)} (“ Glenville ”)	0	0	1,247,040,783	32.89	1,247,040,783	32.89
TJ Holdings (III) Pte. Ltd. ^{(5),(6)} (“ TJHIII ”)	0	0	1,247,040,783	32.89	1,247,040,783	32.89
CLA Real Estate Holdings Pte. Ltd. ⁽⁷⁾ (“ CLA ”)	0	0	1,247,040,783	32.89	1,247,040,783	32.89
CapitaLand Group Pte. Ltd. ⁽⁸⁾ (“ CLG ”)	153,542,083	4.04	1,093,498,700	28.84	1,247,040,783	32.89
CLI ⁽⁹⁾	0	0	1,093,498,700	28.84	1,093,498,700	28.84
The Ascott Limited ⁽¹⁰⁾	189,510,989	4.99	601,263,924	15.85	790,774,913	20.85
Somerset Capital Pte Ltd (“ SCPL ”)	601,263,924	15.85	0	0	601,263,924	15.85
CapitaLand Ascott Trust Management Limited (“ CLASML ”)	288,566,812	7.61	0	0	288,566,812	7.61

Notes:

- (1) “**Substantial Stapled Securityholder**” means a person with an interest in Stapled Securities constituting not less than 5.0% of the total number of Stapled Securities in issue.
- (2) The percentage is based on 3,791,507,447 Stapled Securities in issue as at the Latest Practicable Date and is rounded down to the nearest 0.01%.
- (3) Temasek is deemed to have an interest in the Stapled Securityholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore (the “**SFA**”).
- (4) Tembusu is deemed to have an interest in the Stapled Securityholdings in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.
- (5) Temasek holds 100.0% of the equity interest in Tembusu, which holds 100.0% of the equity interest in Bartley, which holds 100.0% of the equity interest in Mawson, which holds 100.0% of the equity interest in Glenville, which holds 100.0% of the equity interest in TJHIII, which holds 100.0% of the equity interest in CLA, which holds 100.0% equity interest in CLG. CLI is a subsidiary of CLG.
- (6) Each of Temasek, Tembusu, Bartley, Mawson, Glenville and TJHIII is deemed to have an interest in the Stapled Securityholdings in which CLA is deemed to have an interest pursuant to Section 4 of the SFA.
- (7) CLA is deemed to have an interest in the Stapled Securityholdings in which CLG has or is deemed to have an interest pursuant to Section 4 of the SFA.
- (8) CLG is deemed to have an interest in the Stapled Securityholdings that CLI is deemed to have an interest pursuant to Section 4 of the SFA.
- (9) CLI is deemed to have an interest in the Stapled Securityholdings of its wholly owned subsidiaries namely, The Ascott Limited, SCPL (through The Ascott Limited), CLASML, CapitaLand Ascott Business Trust Management Pte. Ltd. and Carmel Plus Pte. Ltd..
- (10) The Ascott Limited is deemed to have an interest in the Stapled Securityholdings of its wholly owned subsidiary, SCPL.

Save as disclosed in the Circular and based on the information available to the Managers as at the Latest Practicable Date, none of the Directors or the Substantial Stapled Securityholders has an interest, direct or indirect, in the Proposed Transactions.

5.4 Directors' Service Contracts

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

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

6 ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The REIT Manager has appointed PricewaterhouseCoopers Corporate Finance Pte. Ltd. as the independent financial adviser (the "IFA") pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager, and the REIT Trustee in relation to the Proposed Transactions.

A copy of the letter from the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager, and the REIT Trustee (the "IFA Letter"), containing its advice in full, is set out in **Appendix A** of this Circular and Stapled Securityholders are advised to read the IFA Letter carefully.

Set forth below are extracts of the IFA advice from **Appendix A** of this Circular. Capitalised terms used but not defined in the below extracts shall have the same meaning given in the IFA advice set out in **Appendix A** of this Circular:

"In our evaluation of whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders, we have given due consideration to, inter alia, the following key factors:

- (a) The rationale for and benefits of the Proposed Acquisition;*
- (b) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income-producing properties;*
- (c) The terminal capitalisation rate and discount rate used by HVS and Colliers in their valuation of the Property are consistent with each other;*
- (d) The Agreed Property Value of S\$263.0 million is lower than the Appraised Values of both Independent Valuers, with discounts of approximately 0.8% to the HVS valuation and approximately 3.0% to the Colliers valuation;*
- (e) The Price per GFA of the Property is within the range and above the mean and median of the Price per GFA of the Selected Serviced Residences and Hotels;*
- (f) The Price per Key of the Property is below the range of the Price per GFA of the Selected Serviced Residences and Hotels;*

- (g) *When adjusting for freehold term, the Price per GFA is within the range and above the mean and median of the adjusted Price per GFA of the Selected Serviced Residences and Hotels;*
- (h) *When adjusting for freehold term and average unit sizes, the Price per Key is within the range and above the mean and median of the adjusted Price per Key of the Selected Serviced Residences and Hotels;*
- (i) *The Price per GFA is within the range and below the mean and median of the Price per GFA of the Selected Serviced Residences and Hotels Transactions;*
- (j) *The Price per Key is within the range and below the mean and median of the Price per Key of the Selected Serviced Residences and Hotels Transactions;*
- (k) *The EBITDA Yield of 4.7% is higher than the range and above the mean and median of the EBITDA yield of the Selected Serviced Residences and Hotels Transactions;*
- (l) *When adjusting for freehold term, the Price per GFA is within the range and above the mean and median of the adjusted Price per GFA of the Selected Serviced Residences and Hotels Transactions;*
- (m) *When adjusting for freehold term and unit sizes, the Price per Key is within the range and below the mean and median of the adjusted Price per Key of the Selected Serviced Residences and Hotels Transactions;*
- (n) *The EBITDA Yield of 4.7% is within the range of the EBITDA Yield of the Existing CLAS Portfolio of Serviced Residences and Hotels located in Singapore and is at the high end of the EBITDA Yield range of the Existing CLAS Portfolio;*
- (o) *Colliers have deemed the proposed terms of the Master Lease to be within market benchmarks and are on normal commercial terms (but we have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information, representation or assurance from Colliers, and found no reason to doubt the accuracy or reliability of such information, representation or assurance);*
- (p) *The key terms of the Master Lease are in line with those of Comparable Singapore Master Leases;*
- (q) *Based on the assumptions set out in the Circular, the Proposed Transactions are expected to have a positive effect on DPS increasing from 6.57 Singapore cents (before the Proposed Transactions) to 6.67 Singapore cents (after the Proposed Transactions and the divestment of Citadines Mount Sophia Singapore); and*
- (r) *Based on the assumptions set out in the Circular, NAV per Stapled Security is expected to be the same at S\$1.16 before and after the Proposed Transactions."*

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

Accordingly, the IFA has advised the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager to recommend that Stapled Securityholders vote in favour of the Resolution in connection with the Proposed Transactions to be proposed at the EGM.

Please read and consider the IFA advice in its entirety as set out in **Appendix A** to this Circular.

7 RECOMMENDATION

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix A** of this Circular) and the rationale for and benefits of the Proposed Acquisition as set out in paragraph 3 of the Letter to Stapled Securityholders, the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager believe that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

Accordingly, the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager recommend that Stapled Securityholders vote at the EGM in favour of the Resolution.

All of the Independent Directors of the REIT Manager which hold Stapled Securities will be voting at the EGM in favour of the Resolution.

8 EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held at Heliconia Ballroom, Level 3, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Monday, 18 November 2024 at 2.00 p.m. (Singapore time), for the purpose of considering and, if thought fit, passing with or without modification, the Resolution set out in the Notice of EGM dated 29 October 2024, which is set out on pages D-1 to D-6 of this Circular.

The purpose of this Circular is to provide Stapled Securityholders with relevant information about the Resolution. Approval by way of an Ordinary Resolution is required in respect of the Resolution.

A Depositor shall not be regarded as a Stapled Securityholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Stapled Securities entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“**CDP**”) as at 48 hours before the time fixed for the EGM.

9 ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, CLI, through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,093,498,700 Stapled Securities, which comprises approximately 28.84% of the total number of Stapled Securities in issue as at the Latest Practicable Date¹.

Rule 919 of the Listing Manual prohibits interested persons and their associates from voting, or accepting appointments as proxies, on a resolution in relation to a matter in respect of which such persons are interested in the EGM, unless specific instructions as to voting are given.

Given that the Property will be acquired from, and the Master Lease will be entered into with, associates of CLI, CLI and their associates will abstain from voting on the Resolution. Further, CLI will not and will procure that its associates will not, accept appointments as proxies unless specific instructions as to voting are given.

For the purposes of good corporate governance, Mr Goh Soon Keat Kevin, Ms Beh Siew Kim and Ms Teo Joo Ling, Serena will each abstain from voting on the Resolution. See paragraph 5.3 of the Letter to Stapled Securityholders for the interests of the Directors.

¹ Based on a total number of 3,791,507,447 Stapled Securities in issue as at the Latest Practicable Date.

10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, CLAS and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11 CONSENTS

Each of the IFA (being PricewaterhouseCoopers Corporate Finance Pte. Ltd.), the Independent Valuers (being HVS and Colliers), and the market research consultant (being Colliers), has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the valuation summary letters and certificates, the market research report, and all references thereto, in the form and context in which they are included in this Circular.

12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers¹ at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Unit Purchase Agreement;
- (ii) the form of the Master Lease;
- (iii) the IFA Letter;
- (iv) the independent valuation reports on the Property issued by HVS and Colliers;
- (v) the market research report issued by Colliers;
- (vi) the 2023 Audited Consolidated Financial Statements; and
- (vii) the written consents of each of the IFA, the Independent Valuers, and Colliers.

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

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

Yours faithfully

CapitaLand Ascott Trust Management Limited
(Company Registration No. 200516209Z)

CapitaLand Ascott Business Trust Management Pte. Ltd.
(Company Registration No. 201925299R)

Lui Chong Chee
Chairman

Lui Chong Chee
Chairman

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of CLAS in Singapore or any other jurisdictions. The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

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

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

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
2023 Audited Consolidated Financial Statements	:	The audited consolidated financial statements of CLAS for FY2023
Acquisition Fee	:	The acquisition fee payable in Stapled Securities to the REIT Manager pursuant to the CapitaLand Ascott REIT Trust Deed for the Proposed Acquisition
Agreed Property Value	:	The agreed property value of the Property of S\$263.0 million
Ascott BITS	:	The computer modular programmes (available as at the date of the Master Lease) which are owned by, or licensed to, and developed by or for the Master Lessee, and used in connection with the management and operation of the Property
Ascott Loyalty Programme	:	The loyalty programme managed by The Ascott Limited globally pursuant to which members earn loyalty points on qualifying amounts through stays at participating properties and redeem loyalty points
associate	:	<p>For the purposes of the Listing Manual, in the case of a company and in relation to a controlling shareholder (being a company), an “associate” means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.</p> <p>For the purposes of the Property Funds Appendix, in relation to the controlling unitholder of the REIT (being a company), an “associate” means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.</p>
BT Trustee-Manager	:	CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT)
CAGR	:	Compound annual growth rate
CapitaLand Ascott BT	:	CapitaLand Ascott Business Trust

CapitaLand Ascott BT Trust Deed	:	The trust deed constituting CapitaLand Ascott BT dated 9 September 2019 (as amended from time to time)
CapitaLand Ascott REIT	:	CapitaLand Ascott Real Estate Investment Trust
CapitaLand Ascott REIT Trust Deed	:	The trust deed constituting CapitaLand Ascott REIT dated 19 January 2006 (as amended from time to time)
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Stapled Securityholders dated 29 October 2024
Citadines Mount Sophia Divestment	:	CLAS' divestment of Citadines Mount Sophia Singapore which was completed in March 2024
CLAS	:	CapitaLand Ascott Trust
CLAS Group	:	CLAS and its subsidiaries
CLI	:	CapitaLand Investment Limited
CLI Shares	:	The ordinary shares of CLI
Colliers	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
Controlling Shareholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The SGX-ST may determine that such a person is not a controlling shareholder; or (b) in fact exercises control over a company
Controlling Stapled Securityholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly, 15.0% or more of the total voting rights in CLAS. The SGX-ST may determine that such a person is not a controlling Stapled Securityholder; or (b) in fact exercises control over CLAS
Directors	:	Directors of the Managers
DPS	:	Distribution per Stapled Security
EBITDA	:	Earnings before interest, taxes, depreciation and amortisation

EGM	:	Extraordinary General Meeting
Enterprise Value	:	As defined in the CapitaLand Ascott REIT Trust Deed, where the assets acquired by CapitaLand Ascott REIT are shares in a special purpose vehicle whose primary purpose is to hold/own real estate (directly or indirectly), “ Enterprise Value ” shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by CapitaLand Ascott REIT. In the case of the Proposed Acquisition, the units in VSRT are being acquired by CapitaLand Ascott REIT, thus “ Enterprise Value ” in this context shall mean the sum of the equity value and the total net debt attributable to the units in VSRT being acquired by CapitaLand Ascott REIT
Existing Facility	:	The existing S\$113.0 million facility taken out by the VSRT Trustee
Existing VSRT Manager	:	CapitaLand Fund Management Pte. Ltd. (in its capacity as the existing manager of VSRT)
FY2023	:	The financial year ended 31 December 2023
GOP	:	The gross operating profit of the Property
HVS	:	SG&R Singapore Pte Ltd
IFA	:	Independent Financial Adviser pursuant to Rule 921(4)(a) of the Listing Manual as well as to the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee
IFA Letter	:	The letter from the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee
Independent Valuers	:	HVS and Colliers
IRAS	:	The Inland Revenue Authority of Singapore
Latest Practicable Date	:	18 October 2024
Listing Manual	:	The Listing Manual of the SGX-ST
Loan Repayment Amount	:	The amount which will be drawn down concurrent with completion of the Proposed Acquisition to repay the Existing Facility
Managers	:	The REIT Manager and the BT Trustee-Manager
MAS	:	Monetary Authority of Singapore

Master Lease	:	The master lease to be entered into between the VSRT Trustee as the master lessor and the Master Lessee in relation to the Property
Master Lessee	:	lyf Funan Management Pte. Ltd.
MRT	:	Mass Rapid Transit
NAV	:	Net asset value
New Facility Agreement	:	The new facility agreement to be entered into by the REIT Trustee, which will be drawn down concurrent with completion of the Proposed Acquisition to repay the Existing Facility
Notice of EGM	:	The Notice of EGM dated 29 October 2024
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Trust Deeds
Property	:	lyf Funan Singapore, 67 Hill Street, Level 4 Funan, Singapore 179370
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
Proposed Acquisition	:	The proposed acquisition by the REIT Trustee of 100.0% of the issued units in VSRT from the Vendor
Proposed Transactions	:	The Proposed Acquisition and entry into the Master Lease
Purchase Consideration	:	The purchase consideration payable to the Vendor by the REIT Trustee in connection with the Proposed Acquisition
REIT Manager	:	CapitaLand Ascott Trust Management Limited (in its capacity as manager of CapitaLand Ascott REIT)
REIT Trustee	:	DBS Trustee Limited (in its capacity as the trustee of CapitaLand Ascott REIT)
Resolution	:	The proposed acquisition of 100.0% of the issued units in VSRT, which directly holds 100.0% of the interest in lyf Funan Singapore, and entry into the Master Lease, as an interested person transaction (Ordinary Resolution)
RevPAR	:	Revenue per available room

SFA	:	Securities and Futures Act 2001 of Singapore
SGX-ST	:	Singapore Exchange Securities Trading Limited
Stapled Securities	:	Stapled securities of CLAS
Stapled Securityholders	:	Holders of stapled securities of CLAS
Stapling Deed	:	Stapling deed of CLAS dated 9 September 2019 (as amended from time to time)
Total Acquisition Outlay	:	The total acquisition outlay of the Proposed Acquisition of approximately S\$265.1 million, comprising: <ul style="list-style-type: none"> (i) the estimated Purchase Consideration of S\$146.4 million, subject to completion adjustments; (ii) the Loan Repayment Amount of S\$113.0 million; (iii) the Acquisition Fee of approximately S\$2.6 million; and (iv) the estimated professional and other fees and expenses incurred or to be incurred by CLAS in connection with the Proposed Acquisition (inclusive of debt financing-related expenses) of approximately S\$3.1 million
Trust Deeds	:	The CapitaLand Ascott BT Trust Deed, the CapitaLand Ascott REIT Trust Deed and the Stapling Deed
Unit Purchase Agreement	:	A conditional unit purchase agreement which the REIT Trustee entered into with the Vendor to acquire 100.0% of the issued units in VSRT
Vendor	:	Victory SR Pte. Ltd.
VSRT	:	Victory SR Trust
VSRT Trustee	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of VSRT)
W&I Policy	:	The warranty and indemnity insurance policy obtained by the REIT Trustee under the Unit Purchase Agreement

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

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

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

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

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

INDEPENDENT FINANCIAL ADVISER'S LETTER

PricewaterhouseCoopers Corporate Finance Pte. Ltd.

29 October 2024

The Independent Directors and Audit and Risk Committee
 CapitaLand Ascott Trust Management Limited
 (as manager of CapitaLand Ascott Real Estate Investment Trust ("**CapitaLand Ascott REIT**"))
 168 Robinson Road
 #30-01 Capital Tower
 Singapore 068912

DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT (the "**REIT Trustee**"))
 12 Marina Boulevard
 Level 44, Marina Bay Financial Centre Tower 3
 Singapore 018982

Dear Sir / Madam

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

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 29 October 2024 to the holders of the stapled securities of CapitaLand Ascott Trust ("**CLAS**") (the "**Circular**").*

1. INTRODUCTION

This IFA letter ("**Letter**") has been prepared for inclusion in the Circular issued by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) ("**REIT Manager**") and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT) (together with the REIT Manager, collectively, the "**Managers**"), in connection with, *inter alia*:

Resolution: The Proposed Acquisition of 100.0% of the issued units in Victory SR Trust ("**VSRT**"), which directly holds 100.0% of the interest in lyf Funan Singapore, and entry into the Master Lease (as defined herein) (collectively, the "**Proposed Transactions**"), as an interested person transaction (Ordinary Resolution¹)

This Letter sets out the factors considered by PricewaterhouseCoopers Corporate Finance Pte. Ltd. ("**PwCCF**") in relation to the Proposed Transactions, our recommendations issued pursuant to Rule 921(4)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") as well as to the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager, and the REIT Trustee, and our opinions thereon, which shall form part of the Circular. The Circular to the Stapled Securityholders will provide, *inter alia*, details of the Proposed Transactions and the recommendation(s) of the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager in relation to the Proposed Transactions, having considered PwCCF's advice in this Letter.

¹ "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0%, or more of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Trust Deeds (as defined herein).

1.1 Background

CLAS was listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 31 March 2006 and has become the largest lodging trust in the Asia Pacific, with a market capitalisation of S\$3.6 billion as at 18 October 2024, being the latest practicable date prior to the issuance of the Circular (the “**Latest Practicable Date**”)².

CLAS’ objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.

CLAS’ existing portfolio as at 30 June 2024 comprises an international portfolio of 102 properties with over 18,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America.

CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT), both of which are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited (“**CLI**”), a leading global real estate investment manager with a strong Asia foothold.

1.2 The Proposed Acquisition

The REIT Trustee entered into a conditional unit purchase agreement (the “**Unit Purchase Agreement**”) with Victory SR Pte. Ltd. (the “**Vendor**”) to acquire 100.0% of the issued units in VSRT, which directly holds 100.0% of the interest in the Property (the “**Proposed Acquisition**”).

1.2.1 Description of the Property

lyf Funan Singapore is located in the heart of Singapore’s Civic District, within an integrated development, Funan. The property enjoys excellent connectivity, including a direct underpass linking to City Hall Mass Rapid Transit (“**MRT**”) interchange station. It is in proximity to an array of business and entertainment attractions, and surrounded by various landmarks including heritage sites and art galleries. The table below sets out a summary of selected information on the Property:

Lodging type	Hotel	
Address	67 Hill Street, Level 4 Funan, Singapore 179370	
Master lessee	lyf Funan Management Pte. Ltd.	
Number of rooms	329	
Gross floor area	Approximately 11,347.4 sq m	
Year built	2019	
Title	Leasehold tenure expiring on 11 December 2078 (approximately 54 years remaining)	
Independent Valuer (as defined herein)	SG&R Singapore Pte Ltd (“ HVS ”)	Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“ Colliers ”)

² Based on the closing Stapled Security price of S\$0.955 as at the Latest Practicable Date.

Valuer commissioned by	REIT Manager	REIT Trustee
Date of Valuation	30 June 2024	30 June 2024
Valuation method	Discounted cash flow method	Discounted cash flow method
Valuation	S\$265.0 million	S\$271.0 million
Agreed Property Value (as defined herein)	S\$263.0 million	
Purchase consideration	S\$146.4 million ⁽¹⁾	

Note:

- (1) See paragraph 2.2 of the Letter to Stapled Securityholders for further details including the repayment of Existing Facility (as defined herein) of S\$113.0 million.

1.2.2 Purchase Consideration and Valuation

The estimated purchase consideration (the “**Purchase Consideration**”) of S\$146.4 million payable to the Vendor by the REIT Trustee in connection with the Proposed Acquisition is based on: (a) the net asset value (“**NAV**”) of VSRT of S\$149.4 million as at 30 June 2024, which takes into account the agreed property value of the Property of S\$263.0 million (the “**Agreed Property Value**”); and (b) agreed adjustments to the NAV³. The Purchase Consideration is subject to completion adjustments⁴.

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

(See paragraph 2.2 of the Letter to Stapled Securityholders for further details on the Purchase Consideration payable to the Vendor under the Unit Purchase Agreement.)

The REIT Manager has commissioned an Independent Valuer, HVS, to value the Property as at 30 June 2024 using the discounted cash flow method, and the REIT Trustee has commissioned another Independent Valuer, Colliers, to value the Property as at 30 June 2024 using the discounted cash flow method. HVS has valued the Property at S\$265.0 million. Colliers has valued the Property at S\$271.0 million.

(See **Appendix B** for the valuation summary letters and certificates by the Independent Valuers for further details.)

1.2.3 The Master Lease

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

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

4 As the Purchase Consideration paid is based on the estimated NAV of VSRT, the final Purchase Consideration will need to be adjusted based on the actual adjusted NAV of VSRT as at the date of completion of the Proposed Acquisition.

On the date of completion of the Proposed Acquisition, a deed of appointment and retirement of the manager will be entered into between the VSRT Trustee, CapitaLand Fund Management Pte. Ltd. (in its capacity as the existing manager of VSRT) (the “**Existing VSRT Manager**”) and the REIT Manager, with the Existing VSRT Manager retiring as manager of VSRT and the REIT Manager appointed as the new manager of VSRT.

(See paragraph 2.6 of the Letter to Stapled Securityholders for further details on the Master Lease.)

1.3 Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, CLI, through its wholly owned subsidiaries (including its interest in each of the Managers), has an aggregate deemed interest in 1,093,498,700 Stapled Securities, which comprises approximately 28.84% of the total number of Stapled Securities in issue as at the Latest Practicable Date⁵, and is therefore regarded as a controlling Stapled Securityholder within the meaning of the Listing Manual and Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) issued by the Monetary Authority of Singapore (“**MAS**”, and a controlling Stapled Securityholder, a “**Controlling Stapled Securityholder**”)⁶ of CLAS under both the Listing Manual and the Property Funds Appendix.

In addition, as the Managers are each a wholly owned subsidiary of CLI, CLI is regarded as a controlling shareholder (a “**Controlling Shareholder**”)⁷ of each of the Managers under both the Listing Manual and the Property Funds Appendix.

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

The Vendor is indirectly 50.0% owned by The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate⁸ of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” and (for the purpose of the Property Funds Appendix) an “interested party” of CLAS.

5 Based on a total number of 3,791,507,447 Stapled Securities in issue as at the Latest Practicable Date.

6 A person who:

- (a) holds directly or indirectly, 15.0% or more of the total voting rights in CLAS. The SGX-ST may determine that such a person is not a controlling Stapled Securityholder; or
- (b) in fact exercises control over CLAS.

7 A person who:

- (a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The SGX-ST may determine that such a person is not a controlling shareholder; or
- (b) in fact exercises control over a company.

8 For the purposes of the Listing Manual, in the case of a company and in relation to a controlling shareholder (being a company), an “**associate**” means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more. For the purposes of the Property Funds Appendix, in relation to the controlling unitholder of the REIT (being a company), an “**associate**” means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

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

(See paragraph 5.2 of the Letter to Stapled Securityholders for further details.)

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

The Master Lessee is a wholly owned subsidiary of The Ascott Limited, which is a wholly owned subsidiary of CLI.

For the purposes of Chapter 9 of the Listing Manual, the Master Lessee (being an associate of CLI, which is a Controlling Stapled Securityholder of CLAS and a Controlling Shareholder of each of the Managers) is (for the purpose of the Listing Manual) an “interested person” of CLAS.

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

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

(See paragraph 5.2 of the Letter to Stapled Securityholders for further details.)

1.3.3 Requirement for Stapled Securityholders’ approval under Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where CLAS proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, entered into with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CLAS Group’s latest audited net tangible assets (“NTA”), Stapled Securityholders’ approval is required in respect of the transaction.

Based on the 2023 Audited Consolidated Financial Statements, the NTA of the CLAS Group was S\$4,356.4 million (represented by Stapled Securityholders’ funds) as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CLAS with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or exceeds S\$217.8 million, such a transaction would be subject to Stapled Securityholders’ approval.

Given that:

- (i) the estimated Purchase Consideration of the Proposed Acquisition is S\$146.4 million and the Loan Repayment Amount is S\$113.0 million; and
- (ii) the aggregate value of the rent under the Master Lease is S\$344.4 million,

the value of the Proposed Transactions is approximately S\$603.8 million, representing approximately 13.9% of the CLAS Group’s latest audited NTA.

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

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

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Stapled Securityholders' approval for an interested party transaction by CapitaLand Ascott REIT whose value exceeds 5.0% of CapitaLand Ascott REIT's latest audited NAV.

Based on the 2023 Audited Consolidated Financial Statements, the NAV of CapitaLand Ascott REIT was S\$3,696.2 million (represented by Stapled Securityholders' funds) as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into by CapitaLand Ascott REIT with an interested party is equal to or greater than S\$184.8 million, such a transaction would be subject to Stapled Securityholders' approval.

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

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

2. TERMS OF REFERENCE

PwCCF has been appointed as the Independent Financial Adviser ("**IFA**") as required under Listing Rule 921(4)(a) as well as to advise the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders.

We are not involved or responsible in any aspect of the negotiations in relation to the Proposed Transactions, nor were we involved in the deliberations leading up to the decision on the part of the directors of the Managers (the "**Directors**") in connection with the Proposed Transactions. We do not, by this Letter, make any representation or warranty in relation to the commercial risks or merits of the Proposed Transactions.

Our terms of reference do not require us to:

- (a) assess the rationale for, legal, strategic, commercial, financial and tax merits and/or risks of the Proposed Transactions; and
- (b) express any opinion on such merits and/or risks of the Proposed Transactions.

As such, we have not done or reviewed any legal, strategic, commercial, financial and tax due diligence and structuring. Such evaluations and assessment of the legal, strategic, commercial, financial and tax merits and/or risks of the Proposed Transactions remains the sole responsibility of the Directors. However, we may draw upon the views of the Directors and their other professional advisers (to the extent we deem necessary or appropriate) in arriving at our opinion.

We have held discussions with the management of the Managers ("**Management**") and the Directors. We have also examined and relied on information in respect of CLAS collated by us, as well as information provided and representations and assurances made to us, both written and verbal, provided by the Directors, the Management and/or professional advisers of CLAS. We have not independently verified such information or

any representation or assurance, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not warrant or accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information, representation or assurance, and found no reason to doubt the accuracy or reliability of such information, representation or assurance.

We have relied upon the assurance that the Directors have collectively and individually accepted full responsibility for the accuracy of the information in the Circular, and confirmation by the Directors after they have made all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, CLAS and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. The foregoing is as set out in paragraph 10 of the Letter to Stapled Securityholders titled "Directors' Responsibility Statement".

We have not conducted a comprehensive review of the business, operations and financial condition of CLAS, the Property and/or Vendor. We have also not made an independent evaluation or appraisal of the assets and liabilities (including, without limitations, the real properties) of CLAS, the Property and/or Vendor. However, we have been furnished with the independent valuation reports of HVS and Colliers (collectively, the "**Independent Valuers**") commissioned by the REIT Manager and the REIT Trustee respectively, and issued by the Independent Valuers in connection with the open market value (the "**Market Value**") of the Property each as at 30 June 2024 (the "**Valuation Date**", and the reports, the "**Valuation Reports**"). We are not experts and do not regard ourselves to be experts in the valuation of the Property, and we have taken into consideration the Valuation Reports prepared by the Independent Valuers (subject to us having made reasonable enquiries and exercised our judgement on the reasonable use of such information in the Valuation Reports, and us having found no reason to doubt the accuracy or reliability of such information in the Valuation Reports).

CLAS has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied upon by us as described in the Circular (other than this Letter) (subject to us having made reasonable enquiries and exercised our judgement on the reasonable use of such information, and us having found no reason to doubt the accuracy or reliability of such information).

Conditions may change significantly over a short period of time and accordingly we assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Stapled Securityholders should take note of any announcements relevant to their consideration of the Proposed Transactions, which may be released by CLAS and other sources after the Latest Practicable Date.

In preparing this Letter, we have not had regard to the specific investment objectives, financial situations, tax positions and/or unique needs and constraints of any individual Stapled Securityholders. As each Stapled Securityholders may have different investment objectives and considerations, individual Stapled Securityholders who may require specific advice in relation to his Stapled Security(ies) should consult his own stockbroker, bank manager, solicitor, accountant or other professional or independent advisers.

Our opinion is required under Listing Rule 921(4)(a) as well as addressed to and for the use and benefit of the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee in their evaluation of whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Staped Securityholders. The statements and/or recommendations made by the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager shall remain the responsibility of the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager.

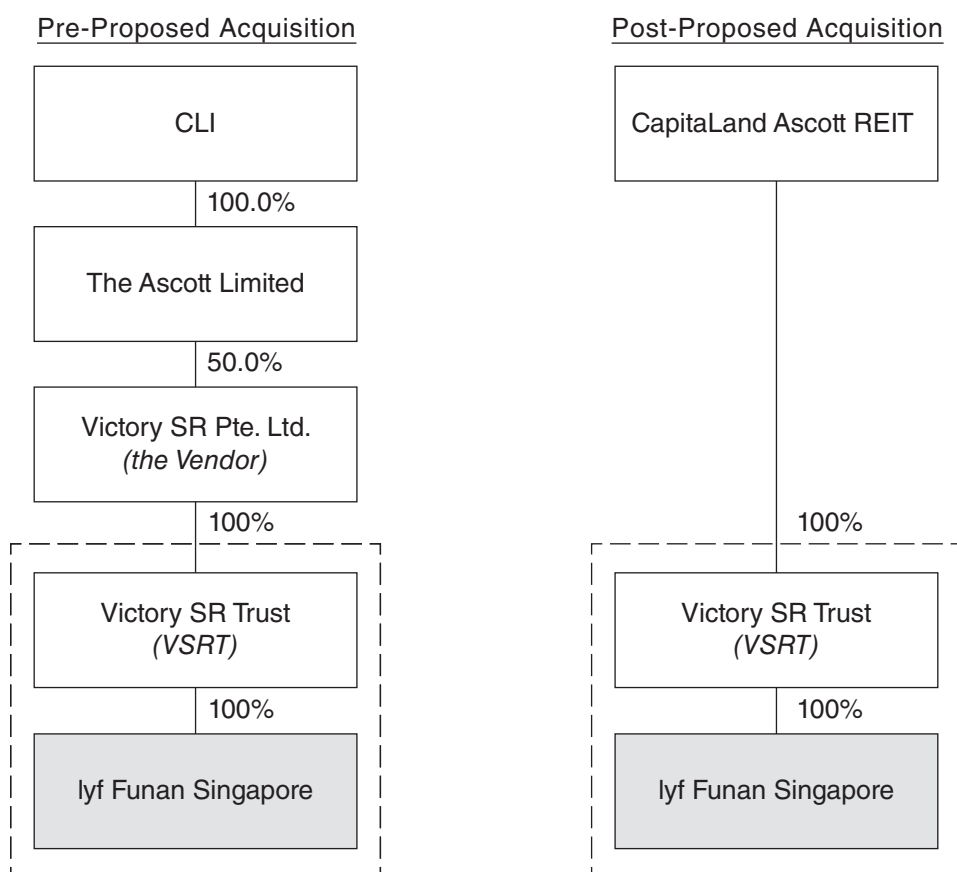
Our opinion in relation to the above should be considered in the context of the entirety of this Letter and the Circular.

3. DETAILS ON THE PROPOSED TRANSACTIONS

3.1 Proposed Acquisition

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

A diagrammatic illustration of the Proposed Acquisition is as follows⁹:



(See paragraph 5.2 of the Letter to Staped Securityholders for further information on the relationship between CapitaLand Ascott REIT and the Vendor.)

⁹ The diagrammatic illustration is a simplified holding chart to show the structure of the transaction and the relationship between the parties. Accordingly, some of the intermediate holding entities are not represented in the diagrammatic illustration.

The estimated Purchase Consideration of S\$146.4 million payable to the Vendor by the REIT Trustee in connection with the Proposed Acquisition is based on: (a) the NAV of VSRT of S\$149.4 million as at 30 June 2024, which takes into account the Agreed Property Value of S\$263.0 million; and (b) agreed adjustments to the NAV¹⁰. The Purchase Consideration is subject to completion adjustments¹¹.

The Agreed Property Value was negotiated on a willing-buyer and willing-seller basis on an arm's length basis and takes into account factors including the accretion to DPS for Stapled Securityholders, EBITDA (as defined herein) yield which is in line with market transactions as well as the independent valuations of the Property.

The REIT Trustee will enter into the New Facility Agreement, which will be drawn down concurrent with completion of the Proposed Acquisition to repay the Existing Facility.

On the date of completion of the Proposed Acquisition, a deed of appointment and retirement of the manager will be entered into between the VSRT Trustee, the Existing VSRT Manager and the REIT Manager, with the Existing VSRT Manager retiring as manager of VSRT and the REIT Manager appointed as the new manager of VSRT. There are no management fees paid pursuant to the trust deed constituting VSRT, as the REIT Manager will only be paid its fees in relation to VSRT pursuant to the CapitaLand Ascott REIT Trust Deed.

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved this deed of appointment and retirement of the manager.

3.2 Valuation

The REIT Manager has commissioned an Independent Valuer, HVS, to value the Property as at 30 June 2024 using the discounted cash flow method, and the REIT Trustee has commissioned another Independent Valuer, Colliers, to value the Property as at 30 June 2024 using the discounted cash flow method. HVS has valued the Property at S\$265.0 million. Colliers has valued the Property at S\$271.0 million.

(See **Appendix B** for the valuation summary letters and certificates by the Independent Valuers for further details.)

3.3 Certain Terms and Conditions of the Unit Purchase Agreement

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

3.3.1 The conditions precedent for completion of the Proposed Acquisition include, among others, the following:

- (i) title to the units in VSRT and the Property being in order and free from (a) any encumbrances affecting the title to the units in VSRT or the Property on completion of the Proposed Acquisition and (b) any easements or restrictive covenants affecting the title to the units in VSRT or the Property on completion of the Proposed Acquisition, save for such easements or restrictive covenants affecting the title to the units in VSRT or the Property as disclosed in the documents provided by the Vendor to the REIT Trustee and its professional advisors for the purpose of the REIT Trustee's due diligence investigation of VSRT, or in the title and lot base

¹⁰ Adjustments comprise amounts set aside for capital expenditure and tax.

¹¹ As the Purchase Consideration paid is based on the estimated NAV of VSRT, the final Purchase Consideration will need to be adjusted based on the actual adjusted NAV of VSRT as at the date of completion of the Proposed Acquisition.

searches conducted electronically by the REIT Trustee on the Singapore Land Authority's Integrated Land Information Service and the Singapore Titles Automated Registration System in respect of the Property on the date falling one (1) Business Day prior to the date of the Unit Purchase Agreement;

- (ii) the approval of the Stapled Securityholders at an extraordinary general meeting to be convened;
- (iii) the REIT Trustee obtaining the approval of the Inland Revenue Authority of Singapore ("**IRAS**") for VSRT to be an approved sub-trust of CapitaLand Ascott REIT for tax transparency; and
- (iv) the REIT Trustee obtaining the approval of IRAS that the sale and purchase or the transfer of 100.0% of the issued units in VSRT will not attract any stamp duty (including but not limited to buyer stamp duty and additional conveyance duty).

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

- (i) the REIT Trustee receives an unsatisfactory legal requisition reply on or before the completion of the Proposed Acquisition;
- (ii) there is an acquisition or notice of acquisition or intended acquisition by the government or other competent authority affecting the whole or ten percent (10%) or more of the strata area of the Property; or
- (iii) there is a material damage¹² to the Property.

3.3.3 The Vendor has entered into the Unit Purchase Agreement in reliance and conditional upon the REIT Trustee having obtained a warranty and indemnity insurance policy (the "**W&I Policy**"), which provides insurance coverage against any loss arising out of or in connection with a breach of any of the warranties (including property-related warranties) or tax indemnities up to a certain cap¹³.

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

3.3.5 The REIT Trustee will not be entitled to make, will not make, and hereby irrevocably waives any right it may have to make, any claim, demand, legal proceedings or cause of action against the Vendor arising out of or in connection with a breach of any warranty or tax indemnity (save in the case of fraud by the Vendor), irrespective of whether or not the W&I Policy covers or responds to such claim, demand, legal proceedings or cause of

12 "**material damage**" means any damage to the Property (or any part thereof):

- (i) such that the cost of reinstating the Property and (or any part thereof) to substantially the same state and condition as at the date of the Unit Purchase Agreement is equivalent to or more than 10.0% of the Agreed Property Value; or
- (ii) which results in a reduction of 10.0% or more of:
 - (a) the strata area of the Property; or
 - (b) the total number of hotel rooms being rendered unusable for the purposes of the hotel comprised in the Property.

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

action and regardless of the extent to which it is able to recover the amount of such a claim, demand, legal proceedings or cause of action from the insurer, except only to the extent required to permit a claim, demand, legal proceedings or cause of action against the insurer but only on the basis that the Vendor will have no liability whatsoever for such claim, demand, legal proceedings or cause of action. Save in the case of fraud by the Vendor, the sole and exclusive remedy of the REIT Trustee arising out of or in connection with a breach of any warranty or tax indemnity shall be under the W&I Policy.

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved the Unit Purchase Agreement.

3.4 Completion

Completion of the Proposed Acquisition is expected to take place by 4Q 2024¹⁴.

3.5 Certain Terms and Conditions of the Master Lease

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

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

- 3.5.1 The Master Lease is for an initial term of 20 years from the date of completion of the Proposed Acquisition, and such term is renewable for a further five-year period upon mutual agreement by the parties.
- 3.5.2 The rent payable by the Master Lessee to the VSRT Trustee shall be 93.5% of the gross operating profit in relation to the Property (the “**GOP**”), and in the case the GOP is negative, the rent payable shall be zero. Any expenditure for renovations, alterations, rebuilding, replacements, additions and improvements in and to the Property will be presented as part of the annual business plan to the VSRT Trustee for review and approval.
- 3.5.3 The VSRT Trustee shall be responsible for capital expenditure and/or replacements in respect of the furniture, furnishings, fixtures and equipment located in or used in connection with the Property.
- 3.5.4 The operating expenses of the Property (included in the calculation of GOP) and certain other expenses in relation to the operations of the hotel, are to be borne by the Master Lessee and include (i) various fees comprising, *inter alia*, the fees for providing the Ascott BITS¹⁵, the global marketing services and trademark, the global reservation services, the Ascott Loyalty Programme¹⁶ and other shared services (including centralised cluster services) and (ii) the salaries, wages, and benefits of employees for duties that relate to the operation of the Property.

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

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

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

3.5.5 The termination provisions include, among others, the following:

- (i) Either party to the Master Lease shall have the right of termination without compensation in the event of force majeure¹⁷ materially affecting the operational performance of the Property for a period exceeding 12 months.
- (ii) The Master Lessee shall have the option to terminate the Master Lease without any compensation in the event of a sale of the Property to an unrelated party of the REIT Manager¹⁸.
- (iii) The VSRT Trustee shall have the right of termination without compensation in the event of under-performance, where the actual GOP is less than 80% of the annual GOP as forecasted in the annual business plan for two consecutive fiscal years. The Master Lessee shall have the option to cure such under-performance based on conditions as set out in the Master Lease¹⁹.
- (iv) The VSRT Trustee shall also have the option to terminate the Master Lease in the event of a sale or redevelopment, subject to compensation being provided. Such compensation will be calculated based on the remaining lease tenure in years (subject to a maximum of five years) multiplied by 6.5% of the average annualised GOP 24 months prior to termination. No termination compensation shall apply in the event of a redevelopment 13 years after the commencement date of the Master Lease.
- (v) The VSRT Trustee shall have the right of termination without compensation if there is a notice, order or gazette notification issued, made or published in respect of the intended or actual acquisition of the Property.

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

In approving the Proposed Transactions, Stapled Securityholders are deemed to have approved the Master Lease.

17 "force majeure" means events which are beyond the control of the parties and which affect the performance of any obligation (except for the payment of monies), or the exercise of any right under the Master Lease, including without limitation the following:

- (a) war, invasion, rebellion, revolution, insurrection or civil war;
- (b) act of government in its sovereign capacity;
- (c) earthquakes, fire, lightning, storms, floods, act of God or any other occurrence caused by the operation of the forces of nature;
- (d) SARS, avian flu, swine flu, pandemic, epidemic, plague or outbreak of communicable disease (excluding any period relating to Covid-19 that does not lead to any nation-wide lockdown or severe emergency measures);
- (e) strikes, lockouts, boycotts or labour disputes affecting the operation of the Property; and
- (f) terrorism, sabotage or arson.

18 If such right of termination is exercised, the Master Lease shall terminate on the date of completion of the sale of the Property.

19 The Master Lessee may cure such under-performance by notifying the VSRT Trustee within 21 days of receipt of the notice of default that the Master Lessee will pay a top-up amount being the difference between (i) the amount equivalent to 93.5% of the annual forecasted GOP for any fiscal year; and (ii) the amount equivalent to 93.5% of the actual GOP for the same fiscal year. If the Master Lessee does not make the top-up payment within 21 days of receipt of the notice of default or the Master Lessee has paid the top-up amount in any two prior fiscal years, the VSRT Trustee may terminate the Master Lease.

3.6 Total Acquisition Outlay

The Total Acquisition Outlay is approximately S\$265.1 million, comprising:

- (i) the estimated Purchase Consideration of S\$146.4 million, subject to completion adjustments;
- (ii) the Loan Repayment Amount of S\$113.0 million;
- (iii) the Acquisition Fee payable in Stapled Securities to the REIT Manager pursuant to the CapitaLand Ascott REIT Trust Deed for the Proposed Acquisition of approximately S\$2.6 million (being 1.0% of the Enterprise Value of S\$259.4 million)²⁰; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CLAS in connection with the Proposed Acquisition (inclusive of debt financing-related expenses) of approximately S\$3.1 million.

3.7 Method of Financing

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

- (i) approximately S\$142.8 million from the divestment proceeds from CLAS' divestment of Citadines Mount Sophia Singapore which was completed in March 2024 (the "**Citadines Mount Sophia Divestment**"²¹); and
- (ii) approximately S\$119.7 million from debt financing, which includes the amount drawn down under the New Facility Agreement to repay the Existing Facility.

Based on CLAS' Aggregate Leverage²² as at 30 June 2024 and taking into account the Proposed Acquisition, CLAS' Aggregate Leverage will be at 39.1%, below the aggregate leverage limit of 45.0%²³ set by the MAS under the Property Funds Appendix.

4. EVALUATION OF THE PROPOSED ACQUISITION

In our evaluation of whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for and benefits of the Proposed Acquisition;
- (b) valuation approaches and assumptions adopted by the Independent Valuers;

20 As the Proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee shall be in the form of Stapled Securities and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

21 The net proceeds from the Citadines Mount Sophia Divestment were S\$142.8 million, and 100.0% of such proceeds will be used to partially finance the Total Acquisition Outlay. See the press release on 2 February 2024 relating to the Citadines Mount Sophia Divestment.

22 "**Aggregate Leverage**" is defined in the Property Funds Appendix as the ratio of CLAS' borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Stapled Securities) to the value of its deposited property.

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

- (c) comparison to similar properties held by comparable REITs, Trusts and companies listed on the Main Board of SGX-ST;
- (d) comparison to similar property transactions;
- (e) comparison to CLAS' existing portfolio in Singapore; and
- (f) pro forma financial effects of the Proposed Acquisition;

The factors above are discussed in more detail in the following paragraphs.

The detailed rationale for and benefits of the Proposed Acquisition are set out in paragraph 3 of the Letter to Stapled Securityholders in the Circular. We have reproduced below excerpts from paragraph 3 of the Letter to Stapled Securityholders in the Circular in respect of the rationale for and key benefits of the Proposed Acquisition.

4.1 Rationale for and benefits of the Proposed Acquisition

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

4.1.1 Enhancing DPS through portfolio reconstitution

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

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

The earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") yield²⁴ of the Proposed Acquisition is 4.7% on a pro forma basis for the financial year ended 31 December 2023 ("**FY2023**"). The entry yield is attractive at 150 basis points higher compared to the exit EBITDA yield²⁵ of Citadines Mount Sophia Singapore of 3.2% for FY2023.

Following the Proposed Acquisition and taking into account the Citadines Mount Sophia Divestment, CLAS' total distribution is expected to increase by S\$3.5 million, which translates to a DPS accretion of 1.5% on a FY2023 pro forma basis.

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

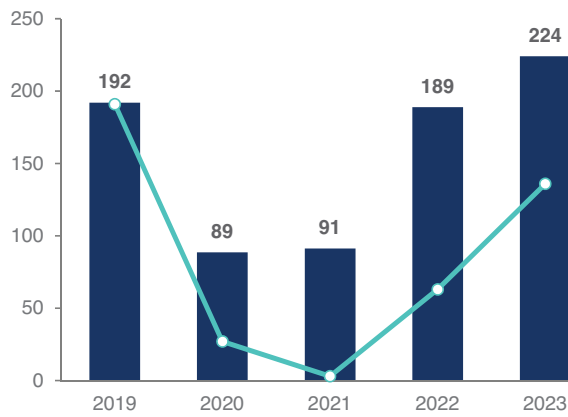
Singapore's hotel industry performance in 2023 was robust, driven by stronger demand for leisure and business travel. According to the Singapore Tourism Board, the market revenue per available room ("**RevPAR**") of Singapore hotels exceeded 2019 levels by 16%, driven by significant outperformance in average daily rates. Average occupancy was 80%, compared to 86.9% in 2019²⁶.

²⁴ Computed based on the Agreed Property Value.

²⁵ Computed based on the divestment price of S\$148.0 million.

²⁶ Source: Singapore Tourism Analytics Network (September 2024).

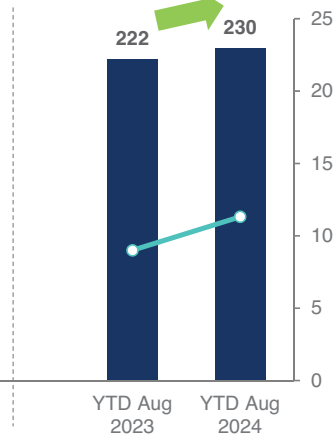
Singapore Market RevPAR (S\$)



Sources: Singapore Tourism Board, Colliers

Legend: Singapore market RevPAR (Dark Blue Bar), International visitor arrivals (Teal Line)

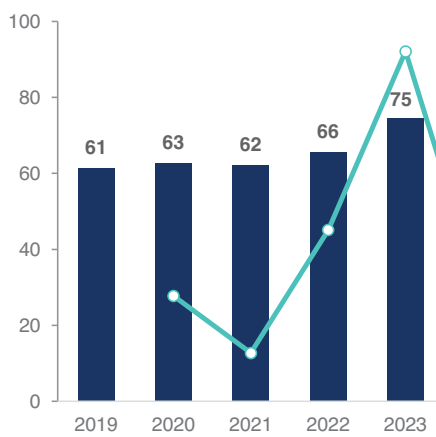
International Visitor Arrivals (mil)



The recovery of the travel sector is expected to continue in 2024, on the back of improved global flight connectivity and capacity as well as the implementation of visa-free travel arrangements²⁷. For the first eight months of 2024, the Singapore hotel market RevPAR increased 3.4% year-on-year²⁸. Singapore is set to maintain its status as a global hub, as inbound travel demand continues to be boosted by new attractions and infrastructure projects scheduled to complete between now and 2030.

The demand-supply dynamics of the Singapore hospitality market are favourable over the medium term, as the growth in demand is expected to outpace that of supply. New room supply in Singapore is expected to be muted beyond 2024, at a compound annual growth rate (“CAGR”) of 1.8%, lower than the CAGR of 3.3% from 2015 to 2019²⁹.

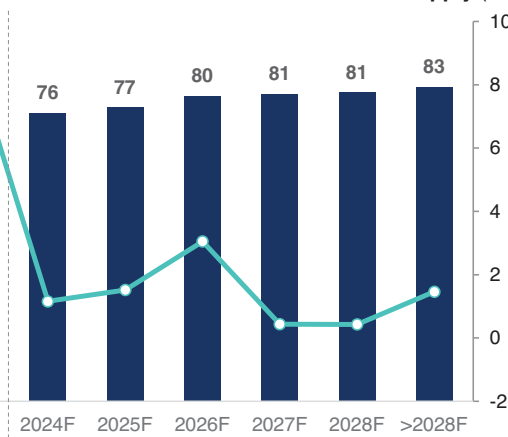
Cumulative Hotel Room Supply ('000)



Sources: Singapore Tourism Board, Colliers

Legend: Cumulative hotel room supply (Dark Blue Bar), Year-on-year increase in supply (Teal Line)

Year-on-Year Increase in Supply ('000)



27 Source: Singapore Tourism Board (February 2024) – Singapore’s tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts.

28 Source: Singapore Tourism Analytics Network (September 2024).

29 See **Appendix C** for the market research report.

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

4.1.3 Prime asset in an attractive location

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

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

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

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

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

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


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

lyf

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

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

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



Community + crew

Stay-work-play social spaces

#lyfgoesLOCAL

Design-centric hotel-in-residences

Flagship lyf property

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

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

lyf Funan Singapore has achieved a strong average occupancy rate of more than 80%. Testament to its excellent location, ability to cater to a wide range of demand and strong positioning, the Property's performance in the first half of 2024 surpassed that of comparable properties in its sub-market³⁰.

The addition of another prime lyf property into the portfolio will position CLAS for further growth as travel continues to recover. The other lyf-branded property in CLAS' portfolio, lyf one-north Singapore, which opened in 2022, is also seeing robust demand with a similar average occupancy rate³¹.

4.2 Valuation approaches and assumptions adopted by the Independent Valuers

The REIT Manager and REIT Trustee have commissioned the Independent Valuers, namely HVS and Colliers, respectively, to perform independent valuations on the Property. The valuation summary letters and certificates issued by the Independent Valuers are set out in **Appendix B** of the Circular. We have been provided with the Valuation Reports for our review.

We set out below a brief summary of the assumptions used by the Independent Valuers based on their respective Valuation Reports that were prepared in relation to the Property.

	HVS	Colliers
Key assumptions		
Terminal Capitalisation Rate	4.8%	4.5%
Discount Rate	6.8%	6.5%
Valuation (S\$ million)		
Appraised Value	265.0	271.0
Agreed Property Value	263.0	

Source: HVS Valuation Report, Colliers Valuation Report

We also set out below a summary of the terminal capitalisation rates and discount rates used in the independent valuation reports that were prepared for CLAS' serviced residences portfolio in Singapore.

	CLAS' serviced residences portfolio in Singapore
Terminal Capitalisation Rate	3.5% to 4.3%
Discount Rate	5.8% to 6.5%

Source: CLAS Management

30 Source: Extracted from STR Database.

31 For 1H 2024.

We note that:

- (a) The basis of valuation, being Market Value, is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion*”, the definition of which is broadly consistent between the Independent Valuers and in line with market definition.
- (b) The Independent Valuers, HVS and Colliers, have used 30 June 2024 as the Valuation Date for the Property.
- (c) The method used by both Independent Valuers for the valuation is the discounted cash flow method.
- (d) The method used by the Independent Valuers is a widely accepted method for the purpose of valuing income-producing properties, and the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Standards and is in compliance with the International Valuation Standards.
- (e) The terminal capitalisation rate and discount rate used by HVS and Colliers in their valuation of the Property are above the range of the terminal capitalisation and discount rate of CLAS’ existing serviced residences and hotel properties in Singapore (the “**Existing CLAS Portfolio**”). We also note that the Independent Valuers have concurred that Iyf Funan Singapore’s shorter remaining lease term of 54 years, compared to the longer remaining lease terms as observed in the Existing CLAS Portfolio (between 55 years to 96 years), would result in a higher terminal capitalisation rate and discount rate of c.0.5% to 0.8%.
- (f) The terminal capitalisation rate and discount rate used by HVS and Colliers in their valuation of the Property are approximately consistent with each other.
- (g) We note that the Agreed Property Value is lower than the Appraised Values of both Independent Valuers, with discounts of approximately 0.8% to the HVS valuation and 3.0% to the Colliers valuation.

4.3 Comparison to similar properties held by comparable REITs, trusts and companies listed on the Main Board of SGX-ST, similar property transactions and CLAS’ existing portfolio

Our evaluation of the Proposed Acquisition includes the following:

- (a) Comparison to serviced residences and hotels in Singapore owned by comparable listed REITs, trusts and companies listed on the Main Board of SGX-ST (the “**Selected Serviced Residences and Hotels**”);
- (b) Comparison to comparable transactions of serviced residences and hotels in Singapore (the “**Selected Serviced Residences and Hotels Transactions**”); and
- (c) Comparison to the Existing CLAS Portfolio.

The Independent Directors of the REIT Manager, and Audit and Risk Committee of the REIT Manager and the REIT Trustee should note that any comparison made with respect to the Selected Serviced Residences and Hotels, Selected Serviced Residences and Hotels Transactions and the Existing CLAS Portfolio are for illustrative purposes only.

For the analysis, we have used the available data/information as at the Latest Practicable Date. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied valuation of the Property as at the Latest Practicable Date. In addition, we wish to highlight that the Selected Serviced Residences and Hotels, Selected Serviced Residences and Hotels Transactions and the Existing CLAS Portfolio are by no means exhaustive.

4.3.1 Comparison to the Selected Serviced Residences and Hotels

For the purpose of assessing various metrics including the Valuation per Gross Floor Area (“GFA”) and Valuation per Key, we have extracted the relevant information for a list of Singapore serviced residences and hotels held by REITs, trusts and companies listed on the Main Board of SGX-ST, in order to provide benchmarks for Price per GFA and Price per Key to the Proposed Acquisition.

Based on market research, discussion with Management and the Valuation Reports, we have considered the following Selected Serviced Residences and Hotels listed in the table below to be comparable. These Selected Serviced Residences and Hotels were chosen based on a focus on region, being the Core Central Region (“CCR”) and with a proximity of 1.2 km to Iyf Funan Singapore.

The Independent Directors of the REIT Manager, Audit and Risk Committee of the REIT Manager and the REIT Trustee should note that any comparisons made with respect to the Selected Serviced Residences and Hotels are for illustrative purposes only. As such, while the Selected Serviced Residences and Hotels taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

REIT/Trust/ Company	Property	Location	Lease term (years) ⁽¹⁾	Val. Date	Value (\$'m) ⁽²⁾	No. of Keys	GFA (sqm)	Price/ GFA (\$'000/ sqm)	Price/ Key (\$'000)
Far East Hospitality Trust	Adina Serviced Apartments Singapore Orchard ⁽³⁾	Orchard	70	Sep-23	171.5	90	10,723	16.0	1,906
Far East Hospitality Trust	Village Residence Robertson Quay ⁽³⁾	Robertson Quay	67	Sep-23	111.1	72	10,592	10.5	1,543
CapitaLand Ascott Trust	The Robertson House by The Crest Collection	Robertson Quay	81	Dec-23	352.6	336	11,056	31.9	1,049
Far East Hospitality Trust	Rendezvous Hotel Singapore	Dhoby Ghaut	60	Sep-23	283.8	298	19,720	14.4	952
Frasers Hospitality Trust	InterContinental Singapore	Bugis	65	Sep-23	515.0	406	49,987	10.3	1,268
UOL Group Limited	PARKROYAL Collection Pickering	Downtown	83	Dec-23	502.0	367	21,175	23.7	1,368
UOL Group Limited	PARKROYAL Collection Marina Bay	Raffles Boulevard	55	Dec-23	758.0	583	56,801	13.3	1,300
UOL Group Limited	Pan Pacific Singapore	Raffles Boulevard	55	Dec-23	900.0	790	83,384	10.8	1,139
Mean								16.4	1,316
Median								13.9	1,284
High								31.9	1,906
Low								10.3	952
	Iyf Funan Singapore	City Hall	54		263.0	329	11,347	23.2	799

Source: Prospectuses, annual reports, company websites, Management, Valuation Reports

Notes:

- (1) Remaining lease term as of valuation date.
- (2) For lyf Funan Singapore, we have used the Agreed Property Value in our analysis above.
- (3) We note that Adina Serviced Apartments Singapore Orchard and Village Residence Robertson Quay are serviced residences without hotel licences, whilst the other properties, including lyf Funan Singapore, hold hotel licences.

Based on the table above, we note that:

- (a) The Price per GFA of S\$23,178 per sqm is within the range and above the mean and median of the Price per GFA of the Selected Serviced Residences and Hotels.
- (b) The Price per Key of S\$799,000 is below the range of the Price per Key of the Selected Serviced Residences and Hotels.

Based on our discussions with Management, and given the observations above, we understand that the Price per GFA is on the higher end of our Selected Serviced Residences and Hotels' range and the Price per Key is low, below our Selected Serviced Residences and Hotels' range due to the different average unit size and lease term of the Selected Serviced Residences and Hotels as compared to the Property. Considering this, we have adjusted our calculations for these two factors.

We considered a leasehold term adjustment to allow us to compare the metrics on a like for like basis, removing impact of the differences in lease terms remaining, and assuming all Selected Serviced Residences and Hotels are on a 54-year leasehold term remaining, similar to lyf Funan Singapore. We have performed the adjustment in two steps. First, a freehold term adjustment is made where we convert the Price per GFA and Price per Key presented for the Selected Serviced Residences and Hotels assuming they are freehold properties. Then, we convert the metrics assuming they are on a lease term of 54 years remaining similar to the Property, lyf Funan Singapore. The basis of adjustments is using Singapore Land Authority ("**SLA**") Leasehold Table (or "**Bala's Table**") which computes the value of the remaining lease on a leasehold property by comparing the value of a parcel of land with different lease terms remaining, as a percentage of its value assuming it were freehold.

Apart from the adjustment for the leasehold term, we have also considered adjusting the Price per Key for Selected Serviced Residences and Hotels for average unit size. This adjustment allows us to compare the Price per Key for each Selected Serviced Residences and Hotels as if they had the same average unit size (22.2 sqm) as lyf Funan Singapore.

We set out in the table below the benchmark for Price per GFA and Price per Key, after adjusting for the leasehold term assumption and average unit size adjustment for both the Selected Serviced Residences and Hotels and the Property (if applicable):

REIT/Trust/ Company	Property	Location	Lease term (years)	Freehold adjustment ⁽¹⁾	Avg. Unit Size (sqm) ⁽²⁾	Adj. Price/ GFA (S\$'000/ sqm) ⁽³⁾	Adj. Price/ Key (S\$'000) ⁽⁴⁾
Far East Hospitality Trust	Adina Serviced Apartments Singapore Orchard	Orchard	70	86%	N/Avail	14.3	N/Avail
Far East Hospitality Trust	Village Residence Robertson Quay	Robertson Quay	67	84%	N/Avail	9.6	N/Avail
CapitaLand Ascott Trust	The Robertson House by The Crest Collection	Robertson Quay	81	91%	24.7	26.8	791
Far East Hospitality Trust	Rendezvous Hotel Singapore	Dhoby Ghaut	60	80%	N/Avail	13.8	N/Avail
Frasers Hospitality Trust	InterContinental Singapore	Bugis	65	83%	42.0	9.5	620
UOL Group Limited	PARKROYAL Collection Pickering	Downtown	83	92%	32.3	19.7	782
UOL Group Limited	PARKROYAL Collection Marina Bay	Raffles Boulevard	55	77%	34.7	13.2	825
UOL Group Limited	Pan Pacific Singapore	Raffles Boulevard	55	77%	41.5	10.7	605
Mean						14.7	724.6
Median						13.5	782.1
High						26.8	825.4
Low						9.5	604.7
	lyf Funan Singapore	City Hall	54	77%	22.2	23.2	799

Source: Prospectuses, annual reports, company websites, Management, Valuation Reports, Bala's Table
N/Avail: Not Available

Notes:

(1) Based on SLA's Leasehold Table <https://www.sla.gov.sg/qql/slot/u143/State-Land-n-Property/Land%20Sales%20and%20Lease%20Management/DP%20policy.pdf>

(2) Average unit size of the Selected Serviced Residences and Hotels were obtained from discussions with Management. Whilst there was no disclosed average unit size for those Selected Serviced Residences and Hotels with N/Avail, the general unit size is available on each of the Selected Serviced Residences and Hotels official websites. For Adina Serviced Apartments Singapore Orchard, we note that the unit size ranges from c.36sqm to c.113sqm. For Village Residence Robertson Quay, we note that the unit size ranges from c.61sqm to c.94sqm. For Rendezvous Hotel Singapore, we note that the unit size ranges from c.26sqm to c.53sqm.

(3) Calculated based on

$$\text{Price/GFA} \times \frac{\text{Freehold adjustment of lyf Funan Singapore}}{\text{Freehold adjustment of comparable property}}$$

(4) Calculated based on

$$\text{Price/Key} \times \frac{\text{Avg. Unit Size of lyf Funan Singapore}}{\text{Avg. Unit Size of comparable property}} \times \frac{\text{Freehold adjustment of lyf Funan Singapore}}{\text{Freehold adjustment of comparable property}}$$

Based on the table above, after adjusting for the freehold term and unit sizes, we note that:

- (a) The Price per GFA of S\$23,178 per sqm is within the range and above the mean and median of the adjusted Price per GFA of the Selected Serviced Residences and Hotels.
- (b) The Price per Key of S\$799,000 is within the range and above the mean and median of the adjusted Price per Key of the Selected Serviced Residences and Hotels.

As GFA includes common areas (eg: lobby, hallways, corridors, restaurants and other facilities), the Selected Serviced Residences and Hotels usage of GFA may differ from lyf Funan Singapore. We understand from Management that lyf Funan Singapore has a lower proportion of GFA dedicated to such common areas as lyf Funan Singapore is located within an integrated development with entertainment and restaurants in the connecting Funan building. As such, it has a higher proportion of GFA that is dedicated to rooms. Hence, this has led to a higher Price per GFA for lyf Funan Singapore as opposed to other properties where a lower proportion of GFA could be dedicated to rooms that are income generating.

Due to and not limited to the reasons stated above, the Property may differ from the Selected Serviced Residences and Hotels in respect of lease term, GFA per Key, location, accessibility, occupancy rate, licence, and other relevant factors. In addition, we note that the valuations of the Selected Serviced Residences and Hotels were undertaken at different points in time under different market and economic conditions, and the list of Selected Serviced Residences and Hotels is by no means exhaustive and have been compiled from relevant public sources where available.

4.3.2 Comparison to the Selected Serviced Residences and Hotels Transactions

We have considered recent serviced residence and hotel transactions in Singapore for the period of 30 June 2021 to the Latest Practicable Date. We have considered the following Selected Serviced Residences and Hotels Transactions based on a focus on region, being the CCR and with a proximity of 1.2 km to lyf Funan Singapore.

Although we have found comparable transactions through our search, there were instances where the acquirers were not listed companies and we were not able to obtain sufficient publicly disclosed information on the acquisition amount, GFA and/or other relevant metrics for these transactions. As a result, we have limited our analysis to transactions with sufficient disclosures or information for us to make a comparison of its valuation metrics with the Proposed Acquisition.

Property	Location	Transaction Date	Value (S\$'m)	No. of Keys	GFA	Price/GFA (S\$'000/sqm)	Price/Key (S\$'000)	EBITDA yield ⁽³⁾
Citadines Mount Sophia ⁽¹⁾	Dhoby Ghaut	Mar-24	148	154	9,370	15.8	961	3.2%
Fraser Residence River Promenade ⁽¹⁾	Robertson Quay	May-24	141	72	4,786	29.4	1,957	3.2%
Hotel Telegraph ⁽²⁾	Downtown	May-24	180	134	7,402	24.3	1,343	N/Avail
Hotel G	Bugis	Jul-24	240	308	8,785	27.3	779	3.5%
Mean						24.2	1,260	3.3%
Median						25.8	1,152	3.2%
High						29.4	1,957	3.5%
Low						15.8	779	3.2%
lyf Funan Singapore	City Hall		263	329	11,347	23.2	799	4.7%

Source: Circulars, annual reports, company websites, Management
N/Avail: Not Available

Notes:

- (1) We note that Citadines Mount Sophia and Fraser Residence River Promenade are serviced residences without hotel licences, whilst the other properties, including lyf Funan Singapore, hold hotel licences.
- (2) We note that Hotel Telegraph was also transacted in May 2022 at a transaction value of S\$240 million. The Price per Key was S\$1,791,000 and the Price per GFA was S\$32,400 for this transaction.
- (3) The EBITDA yield estimates were provided by Management. We understand that Management has had discussions with brokers in obtaining the EBITDA yield estimates for the Selected Serviced Residences and Hotels transactions.

Based on the above, we note that:

- (a) The Price per GFA of S\$23,178 is within the range and below the mean and median of the Price per GFA of the Selected Serviced Residences and Hotels Transactions.
- (b) The Price per Key of S\$799,000 is within the range and below the mean and median of the Price per Key of the Selected Serviced Residences and Hotels Transactions.
- (c) The EBITDA yield of 4.7% is higher than the range and above the mean and median of the EBITDA yield of the Selected Serviced Residences and Hotels Transactions.

As mentioned above in paragraph 4.3.1, we have adjusted our calculation for average unit size and lease term of the Selected Serviced Residences and Hotels Transactions as compared to the Property. We set out in the table below the benchmark for Price per GFA and Price per Key, adjusted for average unit size and leasehold term:

Property	Location	Transaction Date	Lease term (years)	Freehold adjustment ⁽²⁾	Avg. Unit Size (sqm)	Adj. Price/GFA (S\$'000/sqm) ⁽³⁾	Adj. Price/Key (S\$'000) ⁽⁴⁾
Citadines Mount Sophia	Dhoby Ghaut	Mar-24	81	91%	43.0	13.3	413
Fraser Residence River Promenade	Robertson Quay	May-24	92	95%	30.0	23.8	1,169
Hotel Telegraph ⁽¹⁾	Downtown	May-24	48	74%	37.6	25.3	827
Hotel G	Bugis	Jul-24	Freehold	100%	13.0	21.0	1,021
Mean						20.8	808
Median						22.4	900
High						25.3	1,169
Low						13.3	413
lyf Funan Singapore	City Hall		54	77%	22.2	23.2	799

Source: Prospectuses, annual reports, company websites, Management, Valuation Reports, Bala's Table

Notes:

- (1) We note that Hotel Telegraph was also transacted in May 2022 at a transaction value of S\$240 million. The adjusted Price per Key would be S\$1,102,000 and the adjusted Price per GFA would be S\$33,800 for this transaction.
- (2) Based on SLA's Leasehold Table <https://www.sla.gov.sg/qql/slot/u143/State-Land-n-Property/Land%20Sales%20and%20Lease%20Management/DP%20policy.pdf>
- (3) Calculated based on

$$\text{Price/GFA} \times \frac{\text{Freehold adjustment of lyf Funan Singapore}}{\text{Freehold adjustment of comparable property}}$$

- (4) Calculated based on

$$\text{Price/Key} \times \frac{\text{Avg. Unit Size of lyf Funan Singapore}}{\text{Avg. Unit Size of comparable property}} \times \frac{\text{Freehold adjustment of lyf Funan Singapore}}{\text{Freehold adjustment of comparable property}}$$

Based on the above, after adjusting for freehold term and unit sizes, we note that:

- (a) The Price per GFA of S\$23,178 is within the range and above the mean and median of the adjusted Price per GFA of the Selected Serviced Residences and Hotels Transactions.
- (b) The Price per Key of S\$799,000 is within the range and below the mean and median of the adjusted Price per Key of the Selected Serviced Residences and Hotels Transactions.

The Selected Serviced Residences and Hotels Transactions may differ from that of the Property in terms of title, building specifications, GFA, GFA per key, location, accessibility, occupancy rate, market risks, track record, future prospects and other relevant criteria. In addition, the list of Selected Serviced Residences and Hotels Transactions is by no means exhaustive. We note that certain circumstances and terms relating to the Selected Serviced Residences and Hotels Transactions are distinct and might not be identical to the Proposed Acquisition and are largely dependent on the market sentiments prevailing at the time of such Selected Serviced Residences and Hotels Transactions. Accordingly, the Independent Directors of the REIT Manager, Audit and Risk Committee of the REIT Manager and the REIT Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

4.3.3 Comparison to Existing CLAS Portfolio

We set out in the following table the EBITDA Yield of the Property and the Existing CLAS Portfolio of Serviced Residences and Hotels located in Singapore:

Property	EBITDA Yield (%) ⁽¹⁾⁽²⁾⁽³⁾
Mean	3.9%
Median	3.9%
High	4.7%
Low	3.2%
lyf Funan Singapore	4.7%

Source: Management reports

Notes:

- (1) For Citadines Mount Sophia Singapore which has been divested on 1 March 2024, we have used the exit EBITDA yield of the property for FY2023 as indicated in the Circular.
- (2) EBITDA yield presented, apart from Citadines Mount Sophia Singapore, is computed based on FY2023 EBITDA divided by the independent property valuation as at 31 December 2023.
- (3) We have excluded Somerset Liang Court Property Singapore and The Robertson House by The Crest Collection from the calculation of EBITDA yield of the Existing CLAS Portfolio as we understand that these two properties were under renovation or development in FY2023 and their EBITDA yields may not be meaningful for that period.

Based on the table above, we note that the EBITDA Yield of 4.7% is within the range and is at the high end of the EBITDA Yield range of the Existing CLAS Portfolio.

5. EVALUATION OF THE MASTER LEASE

In our evaluation of whether the entry into the Master Lease is on normal commercial terms and is not prejudicial to the interests of CLAS and its minority Staped Securityholders, we have given due consideration to, *inter alia*, the key terms of the Master Lease and benchmarking assessment by Colliers.

The factors above are discussed in more detail in the following paragraphs.

5.1 Key terms of the Master Lease and benchmarking assessment by Colliers

The REIT Manager has commissioned Colliers to perform a benchmarking analysis of the key commercial terms in serviced residences and hotels leases to allow the REIT Manager to assess the terms of the Master Lease.

The analysis performed by Colliers draws upon the key trends they have observed in the market from a range of serviced apartment operators, including both hotel/serviced apartment and third-party management companies. The analysis was combined with Colliers' insights from previous interviews as well as their own experience in lease negotiations.

In arriving at the market valuation of the Property, Colliers have assessed the key terms of the Master Lease as set out in the table below:

Key Terms	Proposed Master Lease terms	Comparable Master Lease terms	Colliers' assessment
Period	20 years plus 5-year extension upon mutual agreement	The market standard period is 5 to 15 years.	<p>Due to the high commitment required and impact on balance sheet, longer term leases are rare as tenants are more reluctant to lock in.</p> <p>However, for prime locations and desirable assets, it is not unusual for these terms to be longer even extending up to 30 years in some instances for initial terms.</p>
Rent	<p>93.5% of GOP; where GOP is negative then rent is zero.</p> <p>Landlord to be responsible for expenses below GOP including property tax, insurance, capital expenditure etc.</p>	<p>The market standard rent to GOP ranges from 65.0% to 90.0% plus a top up should performance exceed certain agreed amounts.</p> <p>Total rent to revenue ranges from 35.0% to 65.0%.</p>	<p>From Colliers assessment, the calculated rent to total revenue would average c.62.0% in the projected period from FY2024 onwards. This is slightly below the upper threshold of 65.0% of total rent to revenue seen in the market but remains reasonable with the tenant being incentivised to perform at a higher level.</p> <p>As the rent is fully variable, with no minimum amounts, this would justify a higher level of percentage to total GOP or total revenue as the landlord would be bearing downside risks in addition to fixed costs below GOP.</p> <p>Further, the landlord, under the terms proposed will be responsible for all owner's expenses i.e. items below GOP. This also extends to cover the provision for renewal of furniture, fixtures and equipment reserve ("FF&E Reserve"), typically 3.0% to 5.0% of total revenue, which will be borne by the landlord.</p> <p>As such, a higher rental level can be justified.</p>

Key Terms	Proposed Master Lease terms	Comparable Master Lease terms	Colliers' assessment
Key money	None	Key money if the location is desirable.	No capital expenditure or key money to be provided by the tenant. As the tenant will only retain a small percentage of GOP, there is no incentive for the tenant to offer key money.
Guarantees	None	Usually in the form of a minimum rent especially for assets in key locations. Terms can vary significantly and depends on landlord and tenant motivation.	No guarantees are proposed but as stated above, as the tenant will only retain a small percentage of GOP, there is no incentive for the tenant to offer a guarantee or minimum rent.
Profit Share	None	Can be in the form of a top-up rent after certain tiered levels. Terms can vary significantly and depends on landlord and tenant motivation.	As rent is already set at 93.5% of GOP, there is little room for a top-up position.
Indemnity by Tenant	S\$3.25 million (approximately 3 months of rent)	Ranges from a fixed amount to a multiple of rent/fees earned. The fixed amount ranges from S\$1,000,000 up to S\$10,000,000 depending on negotiated terms. The multiple of rent ranges from 3 months to 3 years.	The indemnity is at the lower end of the range. However, it can be attributed to the higher variable rent and lower tenant obligations.

Key Terms	Proposed Master Lease terms	Comparable Master Lease terms	Colliers' assessment
Termination	Please see paragraph 3.5.5	<p>Termination by landlord is rare and only in the event of non-performance by the tenant, sale or re-development.</p> <p>Termination by tenant is usually only when the landlord defaults on its obligations.</p> <p>Termination clause by the landlord is subject to compensation based on the average rent paid over a number of recent years multiplied by the period left in the agreement.</p>	<p>The termination clause is highly favourable to the landlord, however, it is not unusual for properties with shorter lease terms remaining, older developments and properties which are part of a strata complex.</p> <p>This allows the landlord flexibility on sale or re-development.</p>

When assessing a master lease agreement, the usual key terms considered are lease tenure, rent structure (i.e. base rent and fixed versus variable components), security deposits, FF&E Reserve, expenses to be paid by tenant versus landlord, and termination clause. We note that Colliers have included the usual key terms consideration in their benchmarking assessment.

Based on the assessment performed by Colliers, we note that Colliers have deemed the proposed terms to be within market benchmarks and are on normal commercial terms. For each of the key terms listed in the benchmarking assessment, we have enquired with Colliers on the basis of their assessment and clarifications of definitions of the terms used in the Master Lease.

Based on the Master Lease terms, the indemnity by tenant in any fiscal year shall not in any event exceed S\$3,250,000 for that fiscal year. We note that the S\$3,250,000 is within the range of the Comparable Master Lease terms of S\$1,000,000 to S\$10,000,000 as performed by Colliers.

We have also made reasonable enquiries and have exercised our judgement in reviewing the information contained in the benchmarking assessment and exercised our judgment on the reasonable use of such information, representation or assurance, and found no reason to doubt the accuracy or reliability of such information, representation or assurance. In our review, we do not find the information contained therein to be unreasonable.

5.2 Comparison of the key terms of the Master Lease with Comparable Singapore Master Leases

We have also performed our own independent research on master lease agreements for hotels and serviced residences in Singapore through publicly available information, and found comparable master lease agreements (the "**Comparable Singapore Master Leases**").

Key Terms	Proposed Master Lease terms	Comparable Singapore Master Leases
Period	20 years plus 5-year extension upon mutual agreement	Between 10 to 20 years plus 0 to 20 year renewal option
Rent	93.5% of GOP; where GOP is negative then rent is zero	Variable rent as a percentage of GOR ranges from 0% to 33%, and variable rent as a percentage of GOP ranges from 20% to 30%. Comparable Singapore Master Leases also have fixed fees ranging from c.S\$2.8 million to c.S\$45 million ⁽¹⁾
FF&E Reserve	3.0% ⁽²⁾	Between 2.5% to 4.0%
Termination	Please see paragraph 3.5.5	This is in line with market standards

Source: Prospectuses, annual reports, circulars

Notes:

- (1) As we do not have information of the rent as a percentage of GOR given that the sources do not disclose financial information on individual properties, we are unable to compare the Comparable Singapore Master Leases to the Master Lease as a like-for-like comparison. Thus, we have enquired with Colliers on their assessment of rent, and have independently calculated the total adjusted rent as a percentage of total revenue for the Property for the period ending June 2024 to be c.56.6%.
- (2) As the FF&E Reserve is borne by the master lessor, we have assumed the FF&E Reserve portion to be 3.0%, which is also in line with market standards and in line with Colliers' benchmarking assessment.

Based on the above, as the FF&E Reserve is borne by the master lessor, we have adjusted the total rental income less the FF&E Reserve portion to be more conservative. The total adjusted rent as a percentage of total revenue for the Property for the period ending June 2024 is c.56.6% and is within the range of the Comparable Master Lease terms as performed by Colliers and is still on the upper end of the range of 35.0% to 65.0%.

Based on the above, we note the key terms of the Master Lease are in line with those of Comparable Singapore Master Leases.

We have also considered extending our research to master lease agreements in other countries, however, different countries have different real estate market dynamics and market conditions. Hence, we have chosen not to compare to master lease agreements in other countries.

6. PRO FORMA FINANCIAL EFFECTS

6.1 Assumptions

The pro forma financial effects of the Proposed Transactions on the DPS and NAV per Stapled Security presented below are strictly for illustrative purposes, and were prepared based on the audited consolidated financial statements of CLAS for FY2023 (the “**2023 Audited Consolidated Financial Statements**”), taking into account the Agreed Property Value and assuming that:

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

6.2 Pro Forma DPS and Distribution Yield

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the pro forma financial effects of the Proposed Transactions and the Citadines Mount Sophia Divestment on CLAS’ DPS and distribution yield for FY2023, as if the Proposed Transactions and the Citadines Mount Sophia Divestment were completed on 1 January 2023.

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

Notes:

- (1) Based on the 2023 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2023.
- (3) Adjusted to: (a) include approximately 2.6 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 4.1(iv) of the Letter to Stapled Securityholders); (b) include approximately 0.6 million new Stapled Securities issued as payment of the REIT Manager's management fees for the Proposed Transactions; and (c) exclude approximately 0.3 million Stapled Securities issued as payment of the base management fees for Citadines Mount Sophia Singapore. The Stapled Securities issued as payment of the REIT Manager's management fees were assumed to be issued at the same prices as those that were actually issued as payment for the REIT Manager's management fees for FY2023.
- (4) Based on the closing Stapled Security price of S\$0.99 on 31 December 2023.

6.3 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

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

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

Notes:

- (1) Based on the 2023 Audited Consolidated Financial Statements.
- (2) Number of Stapled Securities in issue as at 31 December 2023.
- (3) Adjusted to include approximately 2.6 million new Stapled Securities issued as payment of the Acquisition Fee (based on the assumed price stated at paragraph 4.1(iv) of the Letter to Stapled Securityholders).

7. OUR OPINION

In arriving at our advice on the Proposed Transactions, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Transactions. The factors we have considered in our evaluation are based on, among others, representations made by CLAS, the Directors and the Management and discussed in detail in the earlier paragraphs of this letter. In our evaluation of whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Staped Securityholders, we have given due consideration to, *inter alia*, the following key factors:

- (a) The rationale for and benefits of the Proposed Acquisition;
- (b) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income-producing properties;
- (c) The terminal capitalisation rate and discount rate used by HVS and Colliers in their valuation of the Property are consistent with each other;
- (d) The Agreed Property Value of S\$263.0 million is lower than the Appraised Values of both Independent Valuers, with discounts of approximately 0.8% to the HVS valuation and approximately 3.0% to the Colliers valuation;
- (e) The Price per GFA of the Property is within the range and above the mean and median of the Price per GFA of the Selected Serviced Residences and Hotels;
- (f) The Price per Key of the Property is below the range of the Price per GFA of the Selected Serviced Residences and Hotels;
- (g) When adjusting for freehold term, the Price per GFA is within the range and above the mean and median of the adjusted Price per GFA of the Selected Serviced Residences and Hotels;
- (h) When adjusting for freehold term and average unit sizes, the Price per Key is within the range and above the mean and median of the adjusted Price per Key of the Selected Serviced Residences and Hotels;
- (i) The Price per GFA is within the range and below the mean and median of the Price per GFA of the Selected Serviced Residences and Hotels Transactions;
- (j) The Price per Key is within the range and below the mean and median of the Price per Key of the Selected Serviced Residences and Hotels Transactions;
- (k) The EBITDA Yield of 4.7% is higher than the range and above the mean and median of the EBITDA yield of the Selected Serviced Residences and Hotels Transactions;
- (l) When adjusting for freehold term, the Price per GFA is within the range and above the mean and median of the adjusted Price per GFA of the Selected Serviced Residences and Hotels Transactions;

- (m) When adjusting for freehold term and unit sizes, the Price per Key is within the range and below the mean and median of the adjusted Price per Key of the Selected Serviced Residences and Hotels Transactions;
- (n) The EBITDA Yield of 4.7% is within the range of the EBITDA Yield of the Existing CLAS Portfolio of Serviced Residences and Hotels located in Singapore and is at the high end of the EBITDA Yield range of the Existing CLAS Portfolio;
- (o) Colliers have deemed the proposed terms of the Master Lease to be within market benchmarks and are on normal commercial terms (but we have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information, representation or assurance from Colliers, and found no reason to doubt the accuracy or reliability of such information, representation or assurance);
- (p) The key terms of the Master Lease are in line with those of Comparable Singapore Master Leases;
- (q) Based on the assumptions set out in the Circular, the Proposed Transactions are expected to have a positive effect on DPS increasing from 6.57 Singapore cents (before the Proposed Transactions) to 6.67 Singapore cents (after the Proposed Transactions and the divestment of Citadines Mount Sophia Singapore); and
- (r) Based on the assumptions set out in the Circular, NAV per Stapled Security is expected to be the same at S\$1.16 before and after the Proposed Transactions.

Having considered the factors above and subject to the assumptions and qualifications set out herein, we are of the opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of CLAS and its minority Stapled Securityholders. Accordingly, we advise the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager to recommend that Stapled Securityholders vote in favour of the Resolution in connection with the Proposed Transactions to be proposed at the extraordinary general meeting to be convened.

The Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee should note that we have arrived at our opinion based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Proposed Transactions cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review and would not fall within our terms of reference in connection with our evaluation of the Proposed Transactions.

We have prepared this letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors of the REIT Manager, the Audit and Risk Committee of the REIT Manager and the REIT Trustee in connection with and for the purposes of their consideration of the Proposed Transactions, but any recommendation made by the Independent Directors of the REIT Manager, and the Audit and Risk Committee of the REIT Manager in respect of the Proposed Transactions shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person besides CLAS, the REIT Manager, the Directors or the Stapled Securityholders, may reproduce, disseminate or quote this Letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Proposed Transactions) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents CLAS, the REIT Manager, the Directors, or the Stapled Securityholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Proposed Transactions. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
PricewaterhouseCoopers Corporate Finance Pte. Ltd.

Ling Tok Hong
Managing Director

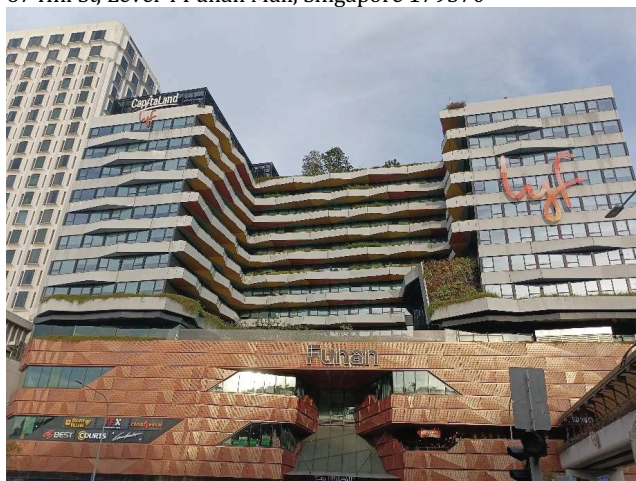
VALUATION SUMMARY LETTERS AND CERTIFICATES



VALUATION SUMMARY

lyf Funan, Singapore

67 Hill St, Level 4 Funan Mall, Singapore 179370



SUBMITTED TO:

CapitaLand Ascott Trust Management Limited
(in its capacity as Manager of CapitaLand
Ascott Real Estate Investment Trust)
c/o Ms Kang Siew Fong
Chief Financial Officer
CapitaLand Ascott Trust Management Limited
168 Robinson Road
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27 September 2024



27 September 2024

CapitaLand Ascott Trust Management Limited
(in its capacity as Manager of CapitaLand Ascott Real Estate Investment Trust)
c/o Ms Kang Siew Fong
Chief Financial Officer
CapitaLand Ascott Trust Management Limited
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Dear Ms Kang Siew Fong,

Re: lyf Funan, Singapore

This Valuation Summary is prepared in accordance with instructions received from CapitaLand Ascott Trust Management Limited (in its capacity as Manager of CapitaLand Ascott Trust Real Estate Investment Trust) (the 'Client') to undertake a market valuation of the property known as the lyf Funan, Singapore on 67 Hill St, Level 4 Funan Mall, Singapore 179370 (the "Property") for acquisition purposes. We have been instructed to perform a valuation of the Property as at 30 June 2024 based on its existing use and subject to the Master Lease agreement. In addition to the Valuation Summary appended to this letter, we have also prepared a Valuation Certificate and Valuation Report to determine the market values as at 30 June 2024, which is vested with the REIT Manager.

We present our opinion that the Market Value of the Property as at 30 June 2024 is:

SGD 265,000,000

TWO HUNDRED AND SIXTY-FIVE MILLION SINGAPORE DOLLARS

HVS has assessed the Property's interests as independent international appraisers and we confirm that we have the required knowledge, expertise and are suitably qualified and authorised to practice as valuers. We hereby certify that we have no undisclosed interest in the properties and our employment and compensation are not contingent upon our findings and valuation and our valuation is objective and unbiased.

Chee Hok Yean, a Licensed Appraiser (Singapore), MRICS (RICS-registered valuer), and MSISV (Member, Singapore Institute of Surveyors and Valuers), along with her associates, partners, and directors, are not substantial shareholders, directors, or employees of the issuer or any of its subsidiaries. HVS is also not a related corporation or substantial shareholder of the issuer or any of its subsidiaries.

Basis of Valuation

The valuation is prepared in accordance with Singapore Institute of Surveyors and Valuers (SISV) definition of Market Value, which is:



'The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.'

Our assessment of value is based on the Property's existing use assuming all relevant approvals and permits are in place for the entire duration of the land tenure. Unless otherwise instructed, the value will not reflect alternative uses or redevelopment or extension exercise thereof.

Additionally, our assessment comprises the value attributed to the real estate, goodwill, and furniture, fittings and equipment used in the operations of the hotel business. Such an assessment excludes the value of the stock, any benefits of a deferred term contract, leaseback, joint venture or any similar arrangement in an event of a sale, or credits for payment thereof and assumes all items of furniture; fittings and equipment contained in the Property are unencumbered unless stated to the contrary.

Chee Hok Yean, Licenced Appraiser (Singapore), MRICS (a RICS-registered valuer), MSISV (Member, Singapore Institute of Surveyors and Valuers) inspected the Property and undertook the due diligence enquiries and carried out the detailed analysis. Chee Hok Yean has more than 35 years' experience of providing real estate valuation and consultation services in Asia-Pacific and Singapore market. Being regulated by the RICS, HVS may be subject to monitoring under the Institution's conduct and disciplinary regulations and has a complaints handling procedure, the details of which are available by contacting the Singapore office.

Premise of the Forecast

For hospitality properties, we commonly adopt the Discounted Cashflow (DCF) approach which is mainly considered by prospective investors. Where appropriate the Sales Comparison and Cost Approaches are used to cross check the reasonableness of the results indicated by the Income Capitalisation Approach.

The Income Capitalisation Approach (income approach) is based on the principle that the value of a property is indicated by its net return, known as the present worth of future benefits. The future benefits of income-producing properties, such as hotels, are net income before debt service and depreciation (as estimated by a forecast of income and expense) and any anticipated reversionary proceeds from a sale. These future benefits can be converted into an indication of market value through a capitalization process and DCF analysis.

In arriving at our opinion of value, we have taken into consideration the income approach, where appropriate and have applied the income approach using the DCF analysis on the projected ten-year cash flow stream.

The DCF approach assesses the Market Value by providing an explicit measurement of future expected cashflows. An appropriate DCF rate is selected; that is the capitalisation rate (the "Cap Rate"), taking into account our assessment of the investment return and yield requirement, as well as the inherent risks involved, in the current market given the unique characteristics and factors affecting a particular property investment.



The Cap Rate is the rate of return on a real estate investment property based on the income that the property is expected to generate. The Cap Rate is used to estimate the investor's potential return on his or her investment, practically risk-free investment. It will further take into consideration a risk premium that compensates the investor for the relative level of risk associated with a hotel real estate investment in excess of the risk-free rate. This risk premium would take into account factors such as the remaining lease term, market risk and return profile, product quality, location and the expected trading performance of the subject property. For this valuation, we have assumed the Cap Rate to be the Terminal Capitalisation Rate.

The discount rate refers to the interest rate used in DCF approach to determine the present value of future cash flows. The discount rate in DCF approach takes into account not just the time value of money, but also the risk or uncertainty of future cash flows. The discount rate applied for the DCF approach is obtained by adding the inflation rate to the Cap Rate.

Please refer to the Valuation Certificate and Valuation Report for the Cap Rate and the discount rate of the Property.

The assessment is based on the current as well as expected future conditions as perceived by the market. We do stress that the estimation of future market conditions is a problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties.

Serviced apartments and hotels generally change hands in the open market at prices based on the future income potential and it is widely accepted that the valuation approach should be related to the property's actual and potential income. Past performance provides a certain level of guidance to the future performance of a serviced/leased apartment and hotel, but new macroeconomic factors or local supply issues often mean that a fresh view needs to be taken of the competitive environment the subject Property operates in.

The projections of occupancy, average room rate and indicative cashflows are based on our knowledge and understanding of the market and experience of the operating performance of properties of similar type and standard. The assumptions in respect of future events are our best estimates at the date of preparing the report. To the extent that any of the assumptions noted in our report are not realised, the indicative cashflow projections and estimate of value may be materially affected.

The process of making forward projections involves assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions. To rely upon our valuation therefore, the reader must be satisfied as to the rationale behind these future estimates.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

Master Lease Agreement



We have assessed the value assuming the Property is subject to a master lease agreement. The assumptions made regarding the Master Lease Agreement for the Property from 2024 were according to the Client's instructions. Should our assumptions be incorrect, we seek to be informed and reserve the right to amend our assessment accordingly. For the purpose of this valuation, we have assumed the Master Lease Agreement has been in effect as of 30 June 2024 and will be renewed under the same term after the expiry of the current lease agreement. The assumptions of key terms made are as followed:

- Registered Owner: HSBC Institutional Trust Services (Singapore) Limited (In its Capacity as Trustee of Victory SR Trust)
- Commencement Date: on completion of the Acquisition
- Term: Twenty (20) Years
- Rent: 93.50% of Gross Operating Profit, provided that the Gross Operating Profit is not negative. Where the Gross Operating Profit is negative, the Rent shall be zero.
- Renewed Term: Five (5) Years

Master lease rent in the Singapore hotel market typically amounts to approximately 90% of GOP. The master lease rent for the subject property is considered to be within the same range as the broader Singapore market.

As the master lease rent is set to be at 93.50% of the Gross Operating Profit, the rental growth projections are closely related to the hotel performance projections. This has translated into a 5-year compounded rental growth rate of 4%. According to the information disclosed by the Client, we were not aware of any recent refurbishment or capital expenses programs that are underway or recently completed in the Property. Moreover, for the purpose of this report, we have assumed that the related, necessary capital expenditure will be funded by a reserve for replacement.

Brief Property Descriptions

lyf Funan, Singapore is part of a mixed-use development, Funan, in Singapore. The mixed-use development occupies one plot of leasehold land (TS10-398T), with a total land area of 9,982.5 square metres. The Property is held under a leasehold interest for a term of 99 years (approximately 54.5 years unexpired) with a gross floor area and net lettable area of approximately 11,347 square metres and 7,702 square metres respectively.

Planning

Unless otherwise instructed, we do not normally carry out investigations with the various public authorities to confirm that the subject Property are not adversely affected by any town planning issues such as change in zoning, land use control, public schemes such as road or drainage reserves and so forth. Neither are we in a position to warrant the subject Property's conformance with local zoning regulations. If reassurance is required, we recommend that verification be obtained from your solicitor.

HVS has not conducted any legal requisition on the land lease/title, town planning control and other related matters and our valuation is made on the



basis that the Property is free of encumbrances, restrictions or other impediments of an onerous nature which would affect the value. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.

Other Statutory Consents

Our valuation is prepared on the assumption that all necessary permits and approvals have been secured (including an appropriate alcohol licence), and that the subject Property (and any works thereof) was constructed in accordance with local zoning ordinances, building codes and all other applicable regulations.

We have assumed that the Property has a valid fire certificate, comply with environmental health legislation and hold all other necessary licences for the purposes of their operation. Furthermore, we have assumed that there are no outstanding issues in respect of such consents and licences.

We have not inspected any of the licences, approvals, consents, permits or certificates relating to the Property and assumed that all documents are in order.

Pertinent Risk Factors

The methodology employed in valuing serviced apartments and hotels depends on the accuracy of the historical trading results for the Properties and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the Properties. We consider our projections of future income and expense to be appropriate when compared alongside those of similar properties.

However, the following risk factors that will affect tourism, and may affect the market values of the Properties and/or the parameters adopted, are specifically noted as follows:

- High inflation rate and interest rate that affects spending power;
- Global warming which affects weather changes;
- Global or regional economic slowdown through US-China trade war;
- War between Russia and Ukraine;
- Increased risk and uncertainty regarding the future performance of the market and the properties with the recovery from COVID-19 pandemic

Information Utilised

All information was collected and analysed by the staff of HVS. Information such as historical operating statements, site plans, floor plans and so forth was supplied by the Client. We have assumed that this information is accurate and have therefore relied upon it without undertaking any independent verification.

Should it be revealed that any of this information is inaccurate or misleading so that its use would affect the valuation, HVS seeks to be informed of such discrepancies and accordingly reserves the right to amend its opinion of value.

The information presented in this report should not be disseminated to the public or third parties without the express written consent of HVS and no responsibility is given to any third party who may use or rely on the whole or part of the contents of this report.



Assumptions, Disclaimers, Limitations & Qualifications

An opinion of value will always involve a degree of subjectivity and uncertainty that will affect the probability that the opinion of Market Value would be the same as the price achieved by an actual sale at the valuation date. Therefore, we are required by the RICS to comment on our level of confidence in the opinion of value reported herein.

The methodology employed in valuing serviced / leased apartments / hotels depends on the accuracy of the historical trading results for the subject Property and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the subject Property.

We consider our projections of future income and expense to be appropriate when compared alongside those of similar property, and therefore we consider the level of uncertainty attached to our opinion of value to be medium.

Neither the whole nor any part of the report nor any reference thereto may be included in any document, circular or statement without our written approval of the form or context in which it appears.

Please refer to Addendum 1 for the full list of Assumptions & Limiting Conditions.

Use of Valuation Summary

Neither the whole nor any part of the valuation summary nor any reference thereto maybe included in any document, circular or statement without our written approval and of the form or context in which it appears.

The valuation has been prepared for the purpose stated above and for use only of the Client and no responsibility is given to any third party for the whole or part of its contents.

Yours sincerely,

A handwritten signature in blue ink that reads 'Chee Hok Yean'.

Chee Hok Yean
Managing Partner
MRICS, MSISV
Licensed Appraiser No. AD0412003997F

HVS No: 2024120085



Addendum 1: Statement of Assumptions and Limiting Conditions

1. We have relied on information given by the Client and its representatives and have accepted advice given to us on such matters as land titles, easements, tenure, planning approvals, statutory notices, tenancy schedule, site and floor plans, building plans, floor areas, building design, building costs, and all other relevant matters. We have assumed the information given to us as correct and have not conducted independent checks to verify them, and no responsibility is assumed or implied by us. Interested parties are advised to seek further due diligence of qualified solicitors, engineers and other professionals as appropriate prior to making any legal, financial or other commitments. Should it be revealed that any information provided is inaccurate or misleading so that its use would affect the valuation, we seek to be informed of such discrepancies and accordingly reserve the right to amend our assessment.
2. The Property including its land titles, use rights and improvements is assumed to be transferable, marketable and free of any deed restrictions, easements, encumbrances or other impediments of an onerous nature that would affect the value of the Property. We have not conducted independent checks to verify and likewise advise interested parties to engage qualified solicitors to perform such checks and verifications as appropriate.
3. There are no hidden or unapparent conditions of the Property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for these conditions or any engineering that may be required to discover them. We have not considered the existence of potentially hazardous materials used in the construction or maintenance of the buildings, such as asbestos, urea formaldehyde foam insulation, or PCBs. We are thus unable to report that the Property is free from risk in this respect and have assumed that any investigation would not reveal the presence of hazardous materials. The valuers are not qualified to detect these substances and urge the Client to retain an expert in this field if desired. We have not investigated whether the site is or has been in the past contaminated and are therefore unable to warrant that the Property is free from any defect or risk in this respect. Our report is therefore based on the assumption that the land is not contaminated and any specialist investigation would not disclose the presence of any adverse conditions on the site or within the building.
4. The valuation was conducted on a desktop basis. In the course of the previous property inspection, particular investigation has not been made on environmental matters that are either an inherent feature of the Property itself or the surrounding area, which could impact on the property interest. Examples include the historic mining activity or electricity transmission equipment. We therefore value on the



assumption that the Property is not affected by any such environmental matters.

5. No cadastral survey of the Property has been made by the valuers and no responsibility is assumed in connection with such matters. Sketches, pictures, maps and other exhibits are included to assist the Client in visualising the Property. It is assumed that the use of the land and premises is within the boundaries of the Property described and that there is no encroachment or trespass unless noted.
6. The Valuation Certificate is neither a structural survey nor a survey on the electrical and mechanical services in terms of both hardware and software. We therefore value on the assumption that the Property is of sound design and construction, and free from any inherent defect. No detailed inspection or tests have been carried out by us on any of the services or items of equipment; therefore, no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We express no opinion or advice upon the condition of uninspected parts and our report should not be read as making any implied representation or statement about such parts. We have assumed that the Property together with the services therein is in a good state of repair and condition and that there are no outstanding items of expenditure required.
7. Valuation report for the Property is accompanied with corresponding list of assumptions and limiting conditions which states assumptions peculiar and pertinent to Property. Interested parties are advised to read the individual report prior to making any legal, financial or other commitments.
8. We have not inspected the Property's city, local and private consents, licences, approvals, permits or certificates for its use and operations. It is assumed that the Property will be in full compliance with all applicable city, local and private codes, laws, consents, licences and regulations (including a fire certificate and relevant alcohol licences where appropriate), and that all licences, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.
9. All mortgages, liens, encumbrances, leases, servitudes, arrears and penalties have been disregarded unless specified otherwise.
10. No portion of this report, in whole or in part, or any reference thereto may be reproduced in any form or included in any document, circular or statement without the permission of HVS, nor shall the report be distributed to the public through advertising, public relations, news, sales, or other media without the prior written consent of HVS.
11. HVS is not required to give testimony or attendance in court by reason of this economic and valuation study without previous arrangements and only when our standard *per diem* fees and travel costs are paid prior to the appearance.



12. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact HVS.
13. The quality of a property's on-site management has a direct effect on a property's economic viability and market value. The financial forecasts presented in this Valuation Report assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the forecast operating results.
14. The estimated operating results presented in this report are based on an evaluation of the current overall economy of the area and neither take into account nor make provision for the effect of any sharp rise or decline in local or economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the Property, it is expected that the prices of rooms, food, beverages and services will be adjusted to at least offset these advances. HVS does not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of typical investors.
15. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based upon numbers carried out to three or more decimal places. In the interest of simplicity, most numbers presented in this report have been rounded. Thus, these figures may be subject to small rounding errors in some cases.
16. Our valuation opinion is current as at the date of valuation. It is likely that the value assessed may be subjected to significant and unexpected changes over a relatively short period due to reasons including, but not limited to, the result of general market movements and/or other factors specific to the subject Property. We are not liable for any losses arising from any of such subsequent changes in value and neither do we accept any liability where our value opinion is relied upon after the expiration of three months from the date of valuation. We shall not be responsible for any delay to the performance of our valuation exercise, where matters beyond our control cause such delay.
17. Valuing real estate is both a science and an art. Although this valuation employs various mathematical calculations, the final estimate is subjective and may be influenced by the consultant's experience and other factors not specifically set forth in this report.
18. It is assumed that the relationship between the currencies used in this report and other major world currencies remains constant as at the date of our fieldwork.
19. Whilst the information contained herein is believed to be correct, it is subject to change. Nothing contained herein is to be construed as a representation or warranty of any kind.
20. Until the time that all of our professional fees and other charges have been paid in full, the draft or final report, which is provided to you as a professional courtesy, remains the intellectual property of HVS and shall not be utilised in attempting to: a) obtain financial capital (whether debt



or equity); b) further any litigation, mediation, or arbitration processes; or c) assist the Client in any cause, action or endeavour.

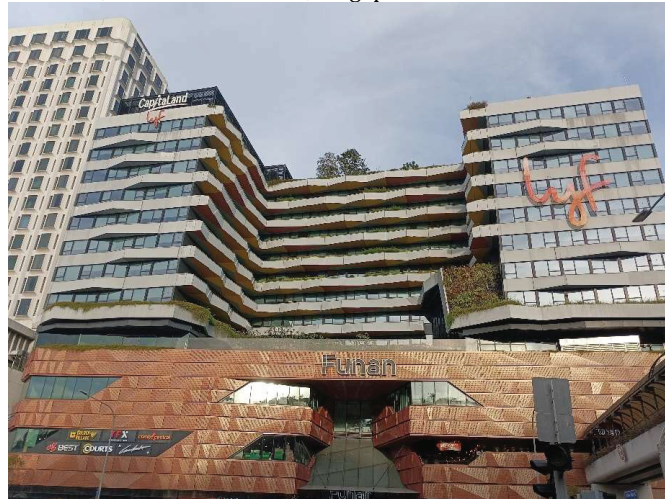
21. If HVS has not been paid in full for its outstanding professional fees and other charges, and the draft or final report is used in violation of this agreement, HVS will be entitled to seek injunctive relief, monetary damages, and the cost of attorney fees and collection expenses.
22. It is agreed that the liability of HVS, its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations and conclusions expressed during this assignment will be rendered by the staff of HVS acting solely as employees and not as individuals. Any responsibility of HVS is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
23. This assessment and study has been undertaken by HVS as an independent overseas consultant.
24. Throughout this report, 'HVS' refers to the trading name of SG&R Singapore Pte Ltd.



VALUATION CERTIFICATE

lyf Funan, Singapore

67 Hill St, Level 4 Funan Mall, Singapore 179370



SUBMITTED TO:

CapitaLand Ascott Trust Management Limited
(in its capacity as Manager of CapitaLand
Ascott Real Estate Investment Trust)
c/o Ms Kang Siew Fong
Chief Financial Officer
CapitaLand Ascott Trust Management Limited
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Tel: +65 6713 2138
Email: kang.siewfong@the-ascott.com

PREPARED BY:

Ms Chee Hok Yean
HVS President & Managing Partner
137 Market Street
#04-02 Grace Global Raffles
Singapore 048943

Tel: +65 6293 4415
Email: hychee@hvs.com

27 September 2024



27 September 2024

CapitaLand Ascott Trust Management Limited
(in its capacity as Manager of CapitaLand Ascott Real Estate Investment Trust)
c/o Ms Kang Siew Fong
Chief Financial Officer
CapitaLand Ascott Trust Management Limited
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Dear Ms Kang Siew Fong,

Re: lyf Funan, Singapore

This report is prepared in accordance with instructions received from CapitaLand Ascott Trust Management Limited (in its capacity as Manager of CapitaLand Ascott Trust Real Estate Investment Trust) (the 'Client') to undertake a market valuation of the property known as the lyf Funan, Singapore on 67 Hill St, Level 4 Funan Mall, Singapore 179370 (the "Property") for acquisition purposes. We have been instructed to perform a valuation of the Property as at 30 June 2024 based on its existing use and subject to the Master Lease agreement. In addition to the Valuation Certificate appended to this letter, we have also prepared a Valuation Report to determine the market values as at 30 June 2024, which is vested with the REIT Manager.

We present our opinion that the Market Value of the Property as at 30 June 2024 is:

SGD 265,000,000

TWO HUNDRED AND SIXTY-FIVE MILLION SINGAPORE DOLLARS

HVS has assessed the Property's interests as independent international appraisers and we confirm that we have the required knowledge, expertise and are suitably qualified and authorised to practice as valuers. We hereby certify that we have no undisclosed interest in the properties and our employment and compensation are not contingent upon our findings and valuation and our valuation is objective and unbiased.

Chee Hok Yean, a Licensed Appraiser (Singapore), MRICS (RICS-registered valuer), and MSISV (Member, Singapore Institute of Surveyors and Valuers), along with her associates, partners, and directors, are not substantial shareholders, directors, or employees of the issuer or any of its subsidiaries. HVS is also not a related corporation or substantial shareholder of the issuer or any of its subsidiaries.

Basis of Valuation

The valuation is prepared in accordance with Singapore Institute of Surveyors and Valuers (SISV) definition of Market Value, which is:



'The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.'

Our assessment of value is based on the Property's existing use assuming all relevant approvals and permits are in place for the entire duration of the land tenure. Unless otherwise instructed, the value will not reflect alternative uses or redevelopment or extension exercise thereof.

Additionally, our assessment comprises the value attributed to the real estate, goodwill, and furniture, fittings and equipment used in the operations of the hotel business. Such an assessment excludes the value of the stock, any benefits of a deferred term contract, leaseback, joint venture or any similar arrangement in an event of a sale, or credits for payment thereof and assumes all items of furniture; fittings and equipment contained in the Property are unencumbered unless stated to the contrary.

Chee Hok Yean, Licenced Appraiser (Singapore), MRICS (a RICS-registered valuer), MSISV (Member, Singapore Institute of Surveyors and Valuers) inspected the Property and undertook the due diligence enquiries and carried out the detailed analysis. Chee Hok Yean has more than 35 years' experience of providing real estate valuation and consultation services in Asia-Pacific and Singapore market. Being regulated by the RICS, HVS may be subject to monitoring under the Institution's conduct and disciplinary regulations and has a complaints handling procedure, the details of which are available by contacting the Singapore office.

Premise of the Forecast

For hospitality properties, we commonly adopt the Discounted Cashflow (DCF) approach which is mainly considered by prospective investors. Where appropriate the Sales Comparison and Cost Approaches are used to cross check the reasonableness of the results indicated by the Income Capitalisation Approach.

The Income Capitalisation Approach (income approach) is based on the principle that the value of a property is indicated by its net return, known as the present worth of future benefits. The future benefits of income-producing properties, such as hotels, are net income before debt service and depreciation (as estimated by a forecast of income and expense) and any anticipated reversionary proceeds from a sale. These future benefits can be converted into an indication of market value through a capitalization process and DCF analysis.

In arriving at our opinion of value, we have taken into consideration the income approach, where appropriate and have applied the income approach using the DCF analysis on the projected ten-year cash flow stream.

The DCF approach assesses the Market Value by providing an explicit measurement of future expected cashflows. An appropriate DCF rate is selected; that is the capitalisation rate (the "Cap Rate"), taking into account our assessment of the investment return and yield requirement, as well as the inherent risks involved, in the current market given the unique characteristics and factors affecting a particular property investment.



The Cap Rate is the rate of return on a real estate investment property based on the income that the property is expected to generate. The Cap Rate is used to estimate the investor's potential return on his or her investment, practically risk-free investment. It will further take into consideration a risk premium that compensates the investor for the relative level of risk associated with a hotel real estate investment in excess of the risk-free rate. This risk premium would take into account factors such as the remaining lease term, market risk and return profile, product quality, location and the expected trading performance of the subject property. For this valuation, we have assumed the Cap Rate to be the Terminal Capitalisation Rate.

The discount rate refers to the interest rate used in DCF approach to determine the present value of future cash flows. The discount rate in DCF approach takes into account not just the time value of money, but also the risk or uncertainty of future cash flows. The discount rate applied for the DCF approach is obtained by adding the inflation rate to the Cap Rate.

Please refer to the attached Valuation Certificate for the Cap Rate and the discount rate of the Property.

The assessment is based on the current as well as expected future conditions as perceived by the market. We do stress that the estimation of future market conditions is a problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties.

Serviced apartments and hotels generally change hands in the open market at prices based on the future income potential and it is widely accepted that the valuation approach should be related to the property' actual and potential income. Past performance provides a certain level of guidance to the future performance of a serviced/leased apartment and hotel, but new macroeconomic factors or local supply issues often mean that a fresh view needs to be taken of the competitive environment the subject Property operates in.

The projections of occupancy, average room rate and indicative cashflows are based on our knowledge and understanding of the market and experience of the operating performance of properties of similar type and standard. The assumptions in respect of future events are our best estimates at the date of preparing the report. To the extent that any of the assumptions noted in our report are not realised, the indicative cashflow projections and estimate of value may be materially affected.

The process of making forward projections involves assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions. To rely upon our valuation therefore, the reader must be satisfied as to the rationale behind these future estimates.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Master Lease Agreement

We have assessed the value assuming the Property is subject to a master lease agreement. The assumptions made regarding the Master Lease Agreement for the Property from 2024 were according to the Client's instructions. Should our assumptions be incorrect, we seek to be informed and reserve the right to amend our assessment accordingly. For the purpose of this valuation, we have assumed the Master Lease Agreement has been in effect as of 30 June 2024 and will be renewed under the same term after the expiry of the current lease agreement. The assumptions of key terms made are as followed:

- Registered Owner: HSBC Institutional Trust Services (Singapore) Limited (In its Capacity as Trustee of Victory SR Trust)
- Commencement Date: on completion of the Acquisition
- Term: Twenty (20) Years
- Rent: 93.50% of Gross Operating Profit, provided that the Gross Operating Profit is not negative. Where the Gross Operating Profit is negative, the Rent shall be zero.
- Renewed Term: Five (5) Years

Master lease rent in the Singapore hotel market typically amounts to approximately 90% of GOP. The master lease rent for the subject property is considered to be within the same range as the broader Singapore market.

As the master lease rent is set to be at 93.50% of the Gross Operating Profit, the rental growth projections are closely related to the hotel performance projections. This has translated into a 5-year compounded rental growth rate of 4%. According to the information disclosed by the Client, we were not aware of any recent refurbishment or capital expenses programs that are underway or recently completed in the Property. Moreover, for the purpose of this report, we have assumed that the related, necessary capital expenditure will be funded by a reserve for replacement.

Brief Property Descriptions

lyf Funan, Singapore is part of a mixed-use development, Funan, in Singapore. The mixed-use development occupies one plot of leasehold land (TS10-398T), with a total land area of 9,982.5 square metres. The Property is held under a leasehold interest for a term of 99 years (approximately 54.5 years unexpired) with a gross floor area and net lettable area of approximately 11,347 square metres and 7,702 square metres respectively.

Planning

Unless otherwise instructed, we do not normally carry out investigations with the various public authorities to confirm that the subject Property is not adversely affected by any town planning issues such as change in zoning, land use control, public schemes such as road or drainage reserves and so forth. Neither are we in a position to warrant the subject Property's conformance with local zoning regulations. If reassurance is required, we recommend that verification be obtained from your solicitor.



HVS has not conducted any legal requisition on the land lease/title, town planning control and other related matters and our valuation is made on the basis that the Property is free of encumbrances, restrictions or other impediments of an onerous nature which would affect the value. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.

Other Statutory Consents

Our valuation is prepared on the assumption that all necessary permits and approvals have been secured (including an appropriate alcohol licence), and that the subject Property (and any works thereof) was constructed in accordance with local zoning ordinances, building codes and all other applicable regulations.

We have assumed that the Property have a valid fire certificate, comply with environmental health legislation and hold all other necessary licences for the purposes of their operation. Furthermore, we have assumed that there are no outstanding issues in respect of such consents and licences.

We have not inspected any of the licences, approvals, consents, permits or certificates relating to the Property and assumed that all documents are in order.

Pertinent Risk Factors

The methodology employed in valuing serviced apartments and hotels depends on the accuracy of the historical trading results for the Properties and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the Properties. We consider our projections of future income and expense to be appropriate when compared alongside those of similar properties.

However, the following risk factors that will affect tourism, and may affect the market values of the Properties and/or the parameters adopted, are specifically noted as follows:

- High inflation rate and interest rate that affects spending power;
- Global warming which affects weather changes;
- Global or regional economic slowdown through US-China trade war;
- War between Russia and Ukraine;
- Increased risk and uncertainty regarding the future performance of the market and the properties with the recovery from COVID-19 pandemic

Information Utilised

All information was collected and analysed by the staff of HVS. Information such as historical operating statements, site plans, floor plans and so forth was supplied by the Client. We have assumed that this information is accurate and have therefore relied upon it without undertaking any independent verification.

Should it be revealed that any of this information is inaccurate or misleading so that its use would affect the valuation, HVS seeks to be informed of such discrepancies and accordingly reserves the right to amend its opinion of value.

The information presented in this report should not be disseminated to the public or third parties without the express written consent of HVS and no



responsibility is given to any third party who may use or rely on the whole or part of the contents of this report.

Use of Valuation Certificates

Neither the whole nor any part of the valuation certificate nor any reference thereto maybe included in any document, circular or statement without our written approval and of the form or context in which it appears.

The valuation has been prepared for the purpose stated above and for use only of the Client and no responsibility is given to any third party for the whole or part of its contents.

Yours sincerely,

A handwritten signature in blue ink that reads 'Chee Hok Yean' with a horizontal line underneath.

Chee Hok Yean
Managing Partner
MRICS, MSISV
Licensed Appraiser No. AD0412003997F

HVS No: 2024120085



VALUATION CERTIFICATE LYF FUNAN SINGAPORE

Name of Instructing Party	CapitaLand Ascott Trust Management Limited (in its capacity as Manager of CapitaLand Ascott Real Estate Investment Trust)															
Purpose of Valuation	Acquisition Purpose															
Property	lyf Funan, Singapore (the 'Property') 67 Hill St, Level 4 Funan Mall, Singapore 179370															
Location	lyf Funan, Singapore (the 'Property') is located at 67 Hill St, Level 4 Funan Mall, Singapore 179370. The Property is directly connected to the City Hall Station via basement two of the Funan Mall, and is approximately 30 minutes' drive away from Singapore Changi Airport as well as within minutes' drive from Orchard Road, Suntec City, and Marina Bay Sands.															
Property Description	lyf Funan, Singapore (the 'Property') is part of a mixed-use development, Funan. The entire development comprises two office towers, one tower with a serviced apartment wing and a condominium wing, one residential tower and one other to be built tower. The Property comprises of 329 hotel rooms and offers studio rooms, one-bedroom apartments, two-bedroom apartments, and three-bedroom apartments. Amenities which guests may enjoy includes an all-day dining area, gymnasium, playroom, resident's lounge, meeting rooms, swimming pool, and car parking. The Property has been completed and opened on 5 September 2019. From 21 August 2019, the Property started operating with a hotel licence.															
Registered Owner	According to information provided by the Property management, the Property is held by HSBC Institutional Trust Services (Singapore) Limited in its capacity as Trustee of Victory SR Trust.															
Zoning	According to the Master Plan 2019 of Urban Redevelopment Authority, the land occupied by the Development is zoned 'Commercial' with a plot ratio of 7.0.															
Interest Valued	The Property rights valued are the leasehold interest for a term of 99 years from 12 December 1979 (approximately 54.5 years unexpired). The Property is comprised in strata lot U2068M of Town Subdivision 10, held under State Lease No. 16600 and State Lease No.29974: <table border="1"><thead><tr><th>No</th><th>Lot No.</th><th>TS</th><th>Strata Lot Area (sqm)</th><th>Tenure</th></tr></thead><tbody><tr><td>1</td><td>U2068M</td><td>10</td><td>11,135</td><td>99-year leasehold from 12 December 1979</td></tr><tr><td colspan="3">Strata Lot Area</td><td>11,135</td><td></td></tr></tbody></table>	No	Lot No.	TS	Strata Lot Area (sqm)	Tenure	1	U2068M	10	11,135	99-year leasehold from 12 December 1979	Strata Lot Area			11,135	
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1	U2068M	10	11,135	99-year leasehold from 12 December 1979												
Strata Lot Area			11,135													
Gross Floor Area & Net Lettable Area	The Property has a Gross Floor Area and Net Lettable Area of approximately 11,347 square metres and 7,702 square metres respectively.															

27 September 2024

Valuation of lyf Funan, Singapore

Master Lease Agreement

We have assessed the value assuming the Property is subject to a master lease agreement. The assumptions made regarding the Master Lease Agreement for the Property from 2024 were according to the Client's instructions. Should our assumptions be incorrect, we seek to be informed and reserve the right to amend our assessment accordingly. The assumptions of key terms made are as followed:

- Registered Owner: HSBC Institutional Trust Services (Singapore) Limited (In its Capacity as Trustee of Victory SR Trust)
- Commencement Date: on completion of the Acquisition
- Term: Twenty (20) Years
- Rent: 93.50% of Gross Operating Profit, provided that the Gross Operating Profit is not negative. Where the Gross Operating Profit is negative, the Rent shall be zero.
- Renewed Term: Five (5) Years

Basis of Valuation

Market Value "As-is" Basis, subject to a master lease agreement .

Valuation Approach

Discounted Cashflow Method.

Valuation Parameters

Capitalisation Rate: 4.75%
Terminal Capitalisation Rate: 4.75%
Discount Rate: 6.75%

Date of Valuation

30 June 2024

Valuation

Market Value of the unexpired leasehold interest in the Property and subject to Master Lease agreement, as at 30 June 2024, is:

SGD265,000,000

(TWO HUNDRED SIXTY-FIVE MILLION SINGAPORE DOLLARS)

Assumptions, Disclaimers, Limitations & Qualifications

An opinion of value will always involve a degree of subjectivity and uncertainty that will affect the probability that the opinion of Market Value would be the same as the price achieved by an actual sale at the valuation date. Therefore, we are required by the RICS to comment on our level of confidence in the opinion of value reported herein.

The methodology employed in valuing serviced / leased apartments / hotels depends on the accuracy of the historical trading results for the subject Property and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the subject Property.

We consider our projections of future income and expense to be appropriate when compared alongside those of similar property, and therefore we consider the level of uncertainty attached to our opinion of value to be medium.

Neither the whole nor any part of the report nor any reference thereto may be included in any document, circular or statement without our written approval of the form or context in which it appears.

Please refer to Addendum 1 for the full list of Assumptions & Limiting Conditions.



Addendum 1 – Statement of Assumptions and Limiting Conditions

1. We have relied on information given by the Client and its representatives and have accepted advice given to us on such matters as land titles, easements, tenure, planning approvals, statutory notices, tenancy schedule, site and floor plans, building plans, floor areas, building design, building costs, and all other relevant matters. We have assumed the information given to us as correct and have not conducted independent checks to verify them, and no responsibility is assumed or implied by us. Interested parties are advised to seek further due diligence of qualified solicitors, engineers and other professionals as appropriate prior to making any legal, financial or other commitments. Should it be revealed that any information provided is inaccurate or misleading so that its use would affect the valuation, we seek to be informed of such discrepancies and accordingly reserve the right to amend our assessment.
2. The Property including its land titles, use rights and improvements is assumed to be transferable, marketable and free of any deed restrictions, easements, encumbrances or other impediments of an onerous nature that would affect the value of the Property. We have not conducted independent checks to verify and likewise advice interested parties to engage qualified solicitors to perform such checks and verifications as appropriate.
3. There are no hidden or unapparent conditions of the Property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for these conditions or any engineering that may be required to discover them. We have not considered the existence of potentially hazardous materials used in the construction or maintenance of the buildings, such as asbestos, urea formaldehyde foam insulation, or PCBs. We are thus unable to report that the Property is free from risk in this respect and have assumed that any investigation would not reveal the presence of hazardous materials. The valuers are not qualified to detect these substances and urge the Client to retain an expert in this field if desired. We have not investigated whether the site is or has been in the past contaminated and are therefore unable to warrant that the Property is free from any defect or risk in this respect. Our report is therefore based on the assumption that the land is not contaminated and any specialist investigation would not disclose the presence of any adverse conditions on the site or within the building.
4. The valuation was conducted on a desktop basis. In the course of the previous property inspection, particular investigation has not been made on environmental matters that are either an inherent feature of the Property itself or the surrounding area, which could impact on the property interest. Examples include the historic mining activity or electricity transmission equipment. We therefore value on the assumption that the Property is not affected by any such environmental matters.



5. No cadastral survey of the Property has been made by the valuers and no responsibility is assumed in connection with such matters. Sketches, pictures, maps and other exhibits are included to assist the Client in visualising the Property. It is assumed that the use of the land and premises is within the boundaries of the Property described and that there is no encroachment or trespass unless noted.
6. The Valuation Certificate is neither a structural survey nor a survey on the electrical and mechanical services in terms of both hardware and software. We therefore value on the assumption that the Property is of sound design and construction, and free from any inherent defect. No detailed inspection or tests have been carried out by us on any of the services or items of equipment; therefore, no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We express no opinion or advice upon the condition of uninspected parts and our report should not be read as making any implied representation or statement about such parts. We have assumed that the Property together with the services therein is in a good state of repair and condition and that there are no outstanding items of expenditure required.
7. Valuation report for the Property is accompanied with corresponding list of assumptions and limiting conditions which states assumptions peculiar and pertinent to Property. Interested parties are advised to read the individual report prior to making any legal, financial or other commitments.
8. We have not inspected the Property's city, local and private consents, licences, approvals, permits or certificates for its use and operations. It is assumed that the Property will be in full compliance with all applicable city, local and private codes, laws, consents, licences and regulations (including a fire certificate and relevant alcohol licences where appropriate), and that all licences, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.
9. All mortgages, liens, encumbrances, leases, servitudes, arrears and penalties have been disregarded unless specified otherwise.
10. No portion of this report, in whole or in part, or any reference thereto may be reproduced in any form or included in any document, circular or statement without the permission of HVS, nor shall the report be distributed to the public through advertising, public relations, news, sales, or other media without the prior written consent of HVS.
11. HVS is not required to give testimony or attendance in court by reason of this economic and valuation study without previous arrangements and only when our standard *per diem* fees and travel costs are paid prior to the appearance.
12. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact HVS.
13. The quality of a property's on-site management has a direct effect on a property's economic viability and market value. The financial forecasts



presented in this Valuation Report assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the forecast operating results.

14. The estimated operating results presented in this report are based on an evaluation of the current overall economy of the area and neither take into account nor make provision for the effect of any sharp rise or decline in local or economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the Property, it is expected that the prices of rooms, food, beverages and services will be adjusted to at least offset these advances. HVS does not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of typical investors.
15. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based upon numbers carried out to three or more decimal places. In the interest of simplicity, most numbers presented in this report have been rounded. Thus, these figures may be subject to small rounding errors in some cases.
16. Our valuation opinion is current as at the date of valuation. It is likely that the value assessed may be subjected to significant and unexpected changes over a relatively short period due to reasons including, but not limited to, the result of general market movements and/or other factors specific to the subject Property. We are not liable for any losses arising from any of such subsequent changes in value and neither do we accept any liability where our value opinion is relied upon after the expiration of three months from the date of valuation. We shall not be responsible for any delay to the performance of our valuation exercise, where matters beyond our control cause such delay.
17. Valuing real estate is both a science and an art. Although this valuation employs various mathematical calculations, the final estimate is subjective and may be influenced by the consultant's experience and other factors not specifically set forth in this report.
18. It is assumed that the relationship between the currencies used in this report and other major world currencies remains constant as at the date of our fieldwork.
19. Whilst the information contained herein is believed to be correct, it is subject to change. Nothing contained herein is to be construed as a representation or warranty of any kind.
20. Until the time that all of our professional fees and other charges have been paid in full, the draft or final report, which is provided to you as a professional courtesy, remains the intellectual property of HVS and shall not be utilised in attempting to: a) obtain financial capital (whether debt or equity); b) further any litigation, mediation, or arbitration processes; or c) assist the Client in any cause, action or endeavour.
21. If HVS has not been paid in full for its outstanding professional fees and other charges, and the draft or final report is used in violation of this agreement, HVS will be entitled to seek injunctive relief, monetary damages, and the cost of attorney fees and collection expenses.



22. It is agreed that the liability of HVS, its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations and conclusions expressed during this assignment will be rendered by the staff of HVS acting solely as employees and not as individuals. Any responsibility of HVS is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
23. This assessment and study has been undertaken by HVS as an independent overseas consultant.
24. Throughout this report, 'HVS' refers to the trading name of SG&R Singapore Pte Ltd.



VALUATION SUMMARY

Property	:	lyf Funan Singapore 67 Hill Street, #04-01 Singapore 179370
Name of Instructing Party	:	DBS Trustee Limited, in its capacity as Trustee of CapitaLand Ascott Real Estate Investment Trust
Purpose of Valuation	:	Acquisition Purpose
Brief Description of Property	:	<p>The property comprises a recently constructed 9-storey co-living/serviced apartment building which was completed in September 2019. It offers a total of 329 apartment units comprised of 288 studio and 41 loft configurations.</p> <p>Designed to promote a community atmosphere, the property also provides shared facilities such as communal kitchen, laundry, meeting and social spaces and gym, together with a rooftop event space.</p> <p>The Property is located with the recently re-developed Funan Mall and is within close proximity to City Hall and the Central Business District.</p>
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited in its capacity as Trustee of Victory SR Trust
Basis of Valuation	:	<p>Market value "As Is" and subject to a Master Lease Agreement.</p> <p>"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an 'arms-length' transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently, and without compulsion".</p> <p>This valuation has been carried out in accordance with the Singapore Institute of Surveyors & Valuers ("SISV") Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council ("IVSC").</p>
Date of Valuation	:	30 June 2024
Legal Description & Zoning	:	<p>Strata title Lot TS10-U2068M held under State Lease No. 16600 and State Lease No 29974.</p> <p>The existing use as a hotel complies with the permitted use under the current zoning.</p>
Site Area	:	9,983 sqm
Gross Floor Area	:	11,347 sqm
Net Lettable Area	:	7,702 sqm
Tenure	:	Leasehold 99 years commencing 12 December 1979 with approximately 54.5 years leasehold tenure remaining.
Market Summary	:	The major driver of Singapore's tourism sector (i.e. visitation and tourism receipts) is international visitor arrivals. In 2023, international visitor arrivals reached 13.6 million, meeting Singapore Tourism Board's (STB) forecast range of 12.0 to 14.0 million visitors. This surge was fuelled by strong demand from Singapore's key markets, notably Indonesia (2.3 million), China (1.4 million), Malaysia (1.1 million), Australia (1.1 million) and India (1.1 million). Visitors now



spend more time in Singapore compared to pre-pandemic levels, with the average length of stay increasing to approximately 3.8 days in 2023, up from 3.4 days in 2019. This trend positively impacted full-year tourism receipts, estimated to range between S\$24.5 to S\$26 billion. From January to September 2023, tourism receipts across all spending categories either exceeded or approached pre-pandemic levels, reflecting a robust recovery compared to the same period in 2019. Year-To-Date ("YTD") July 2024, 9.8 million international visitors were recorded, an increase of 27.3% compared to the same period the previous year.

According to the Singapore Tourism Analytics Network ("STAN"), there are currently approximately 66,450 hotel rooms forming the total supply in the Singapore market. Looking beyond 2024, the new room supply growth in Singapore is expected to be muted at a CAGR of 1.8%, as compared to 3.3% which was recorded between the 2015 and 2019 period. Within the next four years to 2028, approximately 5,440 new hotel rooms are projected to open. This estimate includes the two white sites at Marina View and River Valley available on the government land sales reserve list, which can together potentially accommodate circa 1,070 rooms.

In 2023, the average daily rate (ADR) was recorded at S\$279.6 and RevPAR at S\$224.0, both the highest records for the last decade. When we compare 2023 to 2022, ADR has increased by 11.6% and revenue per available room (RevPAR) rose by 18.7%. Occupancy rates increased by 6.4% to 80.1%. YTD Jul 2024, the percent change from 2023 shows a modest increase, with occupancy, ADR and RevPAR rising by 0.6%, 2.8% and 3.4% respectively. Currently, Singapore's hotel industry is experiencing an occupancy of 81.5%, reflecting steady demand; an ADR of S\$278.80 and RevPAR of \$227.10.

Figures are expected to remain elevated as operators capitalise on the demand for travel and accommodation and extract premium rates from those with the necessity to travel. However, in light of global economic slowdown, heightened operational costs and staffing difficulties, hotels may continue to manipulate their daily occupancy rates to marginally lower levels so as to ensure service quality and maximise effectiveness of the available resources. Despite this, the market is expected to continue to "scale up" through the second half of the year as leisure travel, business travel, and MICE return to Singapore's strategic regional marketplace.

Master Lease Terms

: Key terms:

- Term: 20 years commencing on completion of the Acquisition
- Lease Rent: 93.5% of Gross Operating Profit (GOP), in the case where GOP is negative, Lease Rent shall be zero.
- Landlord will be responsible for expenses below GOP, including property tax, insurance, etc and capex

Market benchmarks for master leases indicate rents of between 65% - 90% of GOP plus a top up should performance exceed certain agreed amounts.

The rent adopted in the valuation is based on the lease terms set out above, which contains certain provisions that has enabled a higher rent than market benchmarks to be commanded.

As the rent is fully variable, growth depends on the forecasted outlook for growth in room occupancy, average daily rate and net operating profit. These assumptions are set out in the Valuation Report.

No significant capital expenditure is forecast

Valuation Approach

: Income Approach (DCF)



In providing our opinion of market value for the subject Property, we have adopted the income approach using the DCF technique, which is the most commonly used by valuers of specialized assets with dynamic cash flows such as hotels and serviced apartments.

This approach is essentially a capitalization of the value of the future stream of earnings from the operations. The discounted cash flow approach to valuation takes into consideration the dynamic performance and earnings potential of an asset over an extended time frame. Furthermore, the process automatically gives a greater weighting and ascribed value to current anticipated earnings and those for the immediate future and attributes a lower value to earnings anticipated in the medium term and beyond.

Discount Factor : 6.53%

Terminal Cap Rate : 4.53%

Valuation : **Market Value “As Is” subject to a Master Lease Agreement:**
S\$271,000,000
(Singapore Dollars Two Hundred and Seventy-One Million Only)

Assumptions, Disclaimers, Limitations & Qualifications

It is assumed that the Property is free from any major or material encumbrances, restrictions and outgoing of an onerous nature which could affect its performance and value.

In undertaking the assessment, we have considered the historic mature trading performance of the Property under the lyf brand. This is taken to be the 2023 and year-to-date 2024 performance.

	2025	2026	2027
Room occupancy	84.8%	84.8%	84.8%
ADR	S\$216	S\$221	S\$225
RevPAR	S\$183	S\$188	S\$191
Source: Colliers forecast			

Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. Colliers' valuation professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted.

In arriving at our opinion of market value we have taken into account the location of the Hotel, together with the anticipated strong trading performance, which will be underpinned by a restricted supply. In addition, it also reflects the anticipated level of marketing and operational prominence that the Hotel could benefit from going forward.

Our estimates have been prepared in the light of circumstances we consider most likely to prevail during the period under review. We consider it prudent, however, to conclude by highlighting the main risks associated with attaining the foregoing estimates. These are as follows:

- that an adverse change in political and/or economic conditions results in a decline in serviced apartment/hotel demand through reduced commercial visitation;
- that demand for serviced apartment/hotel accommodation does not eventuate as estimated or the estimated demand levels are not captured by the subject property; and



- that significant additions to the supply of serviced apartment/hotels occur so as to create an oversupply in the area, resulting in a decline in market performance over and above those estimated.
- Our estimates are therefore based on the assumption that none of the above arises.

This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Caveats and Assumptions section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion.

The analysis and market information are not guarantees or predictions.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinion and conclusion.

The valuation has been prepared based on information provided by the Client, together with publicly available information and Collier's database.

This letter and summary do not contain all the necessary data and information included in arriving at our opinion. A formal Valuation Report has been prepared and is vested with the REIT Manager.

Pertinent Assumptions and Parameters

The selection of an appropriate discount rate is an important element in the valuation process. To some extent the rate can be fixed by reference to market data but ultimately it will be judgmental, particularly in regard to an investor's perception of the risk associated with a future earnings stream, and assessment of what his funds might earn elsewhere. This is influenced by factors such as returns on alternative investments, cost of finance and the future potential of the investment.

To the anticipated earnings we have applied an exit multiple or terminal yield to the year 10 anticipated earnings and have allowed for a 10-year cash flow which includes a long-term anticipated growth expectation of 2.0% per annum. This has been derived adopting Gordon's Growth model, and adjusted for the remaining leasehold term.

Prepared By

: Keng Chiam Tan MSISV MRICS
Executive Director
Valuation & Advisory Services
SISV# VGP/1994/1014

Govinda Singh FCCA FCMA AICPA MRICS
Executive Director Asia
Registered Valuer #6367479
Colliers

They have been assisted by a team of valuers and analysts in preparing this valuation.

The property valuers have at least five years of experience in valuing real properties in a similar industry and area as the real property in which the valuation is to be conducted.



They and Colliers have no pecuniary interest that could reasonably be regarded as being capable of affecting their respective abilities to give an unbiased opinion of the values or that could conflict with a proper analysis of the subject property.

The property valuers and the firm are independent of the issuer. The property valuer, their associates and any of their firm's partners or directors are not substantial shareholders, director or employee of the issuer or any of the issuer's subsidiaries. The firm is not a related corporation or a substantial shareholder of the issuer or any of the issuer's subsidiaries.

Caveats and Assumptions

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or appropriate standards.

2. PERFORMANCE OF SERVICES

- 2.1 We have provided the Services in accordance with:
 - (a) The Terms and Conditions contained herein; or
 - (b) As specifically instructed by You for the purpose of the Services; and
 - (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise)



and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.

- 3.6 An internal inspection has been made; no detailed on site measurements have been taken.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We have not undertaken a detailed inspection of any plant and equipment or obtained advice on its condition or suitability.
- 3.10 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.11 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.

7. VALUATION FOR FIRST MORTGAGE SECURITY

- 7.1 Where the Services are provided for mortgage purposes, You agree that You will not use the valuation report where the property:
 - (a) Is used as security other than by first registered mortgage;
 - (b) Is used as part of a group of securities (except where the property forms part of a trust); or
 - (c) Is used as security for more than one loan.
- 7.2 We reserve the right, at Our absolute discretion, to determine whether or not to assign Our valuation to any third party. Without limiting the extent of Our discretion, We may decline a request for assignment



- where:
- (a) The proposed assignee is not a major recognised lending institution (such as a major bank);
 - (b) The assignment is sought in excess of 3 months after the date of valuation;
 - (c) We consider that there has been a change in conditions which may have a material impact on the value of the property.
 - (d) The proposed assignee seeks to use the valuation for an inappropriate purpose (including in a manner inconsistent with Your agreement at Clause 7.1); or
 - (e) Our fee has not been paid in full.
- 7.3 Where we decline to provide an assignment on either of the basis at 7.2(b) or (c), we may be prepared to provide an updated valuation on terms to be agreed at that time.
- 7.4 In the event that You request Us to assign Our valuation and We agree to do so, You authorize Us to provide to the assignee a copy of these Terms and Conditions, the Quotation and any other document, including instructions provided by You, relevant to the scope of Our Services.
- 8. ESTIMATED SELLING PRICE**
- 8.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
- (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 8.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.
- 9. CURRENCY OF VALUATION**
- 9.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 9.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 9.3 Without limiting the generality of 9.2, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.
- 10. MARKET PROJECTIONS**
- 10.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 10.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 10.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 11. YOUR OBLIGATIONS**
- 11.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 11.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 11.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 11.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided that You shall provide any such recipient with a copy of these Terms and Conditions.
- 11.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3



- materially affect or may alter the value of the property, the subject of the Services.
- 11.6 If You release any part of the valuation advice or its substance without written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this valuation.
- 12. CONFIDENTIALITY**
- 12.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 12.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 12.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 12.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.
- 13. PRIVACY**
- 13.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.
- 14. SUBCONTRACTING**
- 14.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.
- 15. LIMITATION OF COLLIERS LIABILITY**
- 15.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 15.2 All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 15.3 Colliers International, or any employee of Ours shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 15.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 15.5 The amount of aggregate liability of Colliers is limited to our public liability insurance coverage.
- 16. ENTIRE AGREEMENT**
- 16.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 16.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.



VALUATION CERTIFICATE

Property	:	lyf Funan Singapore 67 Hill Street, #04-01 Singapore 179370
Name of Instructing Party	:	DBS Trustee Limited, as Trustee of CapitaLand Ascott Real Estate Investment Trust
Purpose of Valuation	:	Acquisition Purpose
Brief Description of Property	:	<p>The property comprises a recently constructed 9-storey co-living/serviced apartment building which was completed in September 2019. It offers a total of 329 apartment units comprised of 288 studio and 41 loft configurations.</p> <p>Designed to promote a community atmosphere, the property also provides shared facilities such as communal kitchen, laundry, meeting and social spaces and gym, together with a rooftop event space.</p> <p>The Property is located with the recently re-developed Funan Mall and is within close proximity to City Hall and the Central Business District.</p>
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited in its capacity as Trustee of Victory SR Trust
Interest Valued	:	Unencumbered, strata leasehold land and buildings
Basis of Valuation	:	<p>Market value "As Is" and subject to a Master Lease Agreement</p> <p>"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an 'arms-length' transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently, and without compulsion"</p> <p>This valuation has been carried out in accordance with the Singapore Institute of Surveyors & Valuers ("SISV") Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council ("IVSC").</p>
Date of Valuation	:	30 June 2024
Legal Description & Zoning	:	<p>Strata title Lot TS10-U2068M held under State Lease No. 16600 and State Lease No 29974.</p> <p>The site is zoned commercial with a gross plot ratio of 7.0.</p> <p>The existing use as a hotel complies with the permitted use under the current zoning.</p>
Site Area	:	9,983 sqm
Gross Floor Area	:	11,347 sqm
Net Lettable Area	:	7,702 sqm
Tenure	:	Leasehold 99 years commencing 12 December 1979 with approximately 54.5 years leasehold tenure remaining.
Valuation Approach	:	Income Approach (DCF)



Discount Factor : 6.53%

Capitalisation Rate : Not applicable as methodology was not adopted. In accordance with usual practice for valuing hotels by sophisticated investors, the DCF Approach has been employed.

Terminal Cap Rate : 4.53%

Assessed Value : **Market Value "As Is" and subject to a Master Lease Agreement:**
S\$271,000,000
(Singapore Dollars Two Hundred and Seventy-One Million Only)

Assumptions, Disclaimers, Limitations & Qualifications

It is assumed that the Property is free from any major or material encumbrances, restrictions and outgoing of an onerous nature which could affect its performance and value.

Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. Colliers' valuation professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted.

This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion.

The analysis and market information are not guarantees or predictions.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinion and conclusion.

This letter and summary do not contain all the necessary data and information included in arriving at our opinion.

Prepared By : Keng Chiam Tan MSISV MRICS
Executive Director
Valuation & Advisory Services
SISV#VGP/1994/1014

Govinda Singh FCCA FCMA AICPA MRICS
Executive Director Asia
Registered Valuer #6367479
Colliers

They have been assisted by a team of valuers and analysts in preparing this valuation.

The property valuers have at least five years of experience in valuing real properties in a similar industry and area as the real property in which the valuation is to be conducted.



They and Colliers have no pecuniary interest that could reasonably be regarded as being capable of affecting their respective abilities to give an unbiased opinion of the values or that could conflict with a proper analysis of the subject property.

The property valuers and the firm are independent of the issuer. The property valuer, their associates and any of their firm's partners or directors are not substantial shareholders, director or employee of the issuer or any of the issuer's subsidiaries. The firm is not a related corporation or a substantial shareholder of the issuer or any of the issuer's subsidiaries.

Caveats and Assumptions

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or appropriate standards.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the

Services; and

- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.



- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made; no detailed on site measurements have been taken.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We have not undertaken a detailed inspection of any plant and equipment or obtained advice on its condition or suitability.
- 3.10 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.11 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from



the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
- (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.

7. VALUATION FOR FIRST MORTGAGE SECURITY

- 7.1 Where the Services are provided for mortgage purposes, You agree that You will not use the valuation report where the property:
- (a) Is used as security other than by first registered mortgage;
 - (b) Is used as part of a group of securities (except where the property forms part of a trust); or
 - (c) Is used as security for more than one loan.
- 7.2 We reserve the right, at Our absolute discretion, to determine whether or not to assign Our valuation to any third party. Without limiting the extent of Our discretion, We may decline a request for assignment where:
- (a) The proposed assignee is not a major recognised lending institution (such as a major bank);
 - (b) The assignment is sought in excess of 3 months after the date of valuation;
 - (c) We consider that there has been a change in conditions which may have a material impact on the value of the property.
 - (d) The proposed assignee seeks to use the valuation for an inappropriate purpose (including in a manner inconsistent with Your agreement at Clause 7.1); or
 - (e) Our fee has not been paid in full.
- 7.3 Where we decline to provide an assignment on either of the basis at 7.2(b) or (c), we may be prepared to provide an updated valuation on terms to be agreed at that time.
- 7.4 In the event that You request Us to assign Our valuation and We agree to do so, You authorize Us to provide to the assignee a copy of these Terms and Conditions, the Quotation and any other document, including instructions provided by You, relevant to the scope of Our Services.

8. ESTIMATED SELLING PRICE

- 8.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
- (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a



search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.

- (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.

8.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

9. CURRENCY OF VALUATION

9.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.

9.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.

9.3 Without limiting the generality of 9.2, You should not rely upon Our valuation:

- (a) After the expiry of 3 months from the Currency Date;
(b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

10. MARKET PROJECTIONS

10.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

10.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.

10.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

11. YOUR OBLIGATIONS

11.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.

11.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.

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- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and



- contain matters that may affect the value of the advice; or
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- 12.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 12.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
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14. SUBCONTRACTING

- 14.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

15. LIMITATION OF COLLIERS LIABILITY

- 15.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 15.2 All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers



International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

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MARKET RESEARCH REPORT



Economic overview of Singapore

Based on the figures from the Ministry of Trade and Industry ("MTI"), Singapore's real gross domestic product ("GDP") grew by an annualised rate of 2.9% in Q2 2024 with the group of Real Estate, Accommodation & Food Services, Administrative & Support Services growing at 1.9% year-on-year ("y-o-y"), a contraction from 3.0% last quarter. Accommodation and Administrative & Support services sectors grew except for Real Estate. Both Wholesale & Retail Trade and Transportation & Storage collectively declined to 2.5% y-o-y growth from 3.9% the last quarter. All sectors in the group recorded growth except for Retail, which was mainly due to the decline of sales volumes in fashion, optical goods and books. Wholesale trade sector was supported by machinery, equipment & supplies, a range of diverse products such as metals, timber & construction materials, household equipment & furniture, food, tobacco, etcetera, while Transportation was mainly supported by water and air transport segments.

The group of sectors comprising Information & Communications, Finance & Insurance and Professional Services sustained growth of 5.6% y-o-y. All sectors within the group grew with strong demand for IT and digital solutions, and activities auxiliary to financial services, banking and fund management segments. Manufacturing and Construction sectors extended 0.5% y-o-y from -1.7%

	2020	2021	2022	2023	2024F	2025F	2026F	2027F
Real GDP growth (%)	-3.9	9.7	3.8	1.1	2.1	2.5	2.5	2.5
CPI (%)	-0.2	2.3	6.1	4.8	3.0	2.5	2.0	2.0
Source: International Monetary Fund								

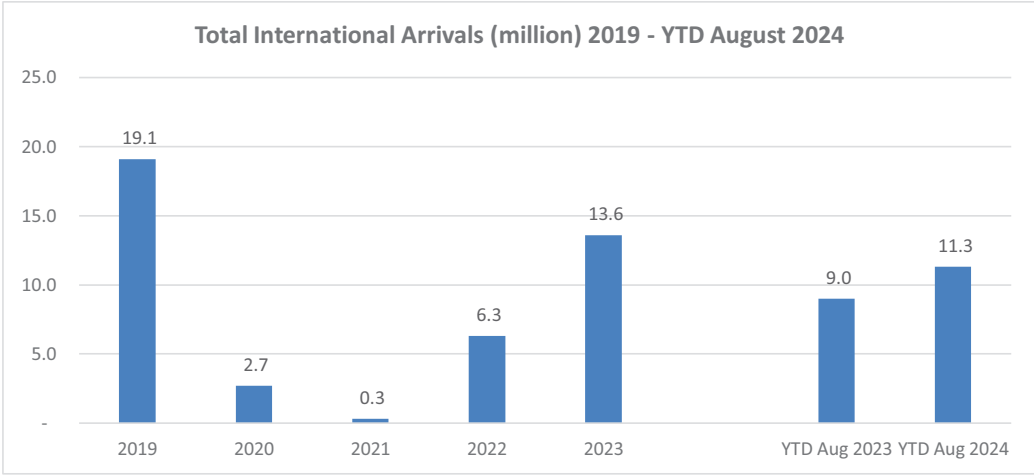
Singapore's GDP growth is expected to be positive due to the demand for semiconductors in end-markets like smartphones, PCs, and AI. Singapore's manufacturing and trade-related sectors are poised for gradual growth throughout the year. The anticipated rebound in air travel and tourism demand will further bolster sectors like accommodation, air transport, and aerospace, with positive ripple effects on consumer-facing industries such as retail trade and food & beverage services. Additionally, increased tourism spending will benefit the finance & insurance sector, particularly the payments segment. Despite the above, MTI has cautiously maintained a GDP growth forecast range of 2.0% to 3.0% for Singapore for 2024 in light of potential global economic risks such as the China+1 strategy, escalating geopolitical tensions in the Middle East or the conflict in Ukraine, which could disrupt supply chains and commodity markets.

Singapore Tourism Overview

Unlike other countries, the major driver of Singapore's tourism sector (i.e. visitation and tourism receipts) is international visitor arrivals. We acknowledge that the international visitor arrival trend in recent years has been affected by the COVID-19 pandemic. Therefore, it is more appropriate to refer to the trend observed in 2019.

In 2019, the top 10 source markets for international visitor arrivals to Singapore were China (19.0%), Indonesia (16.3%), India (7.4%), Malaysia (6.4%), Australia (6.0%), Japan (4.6%), The Philippines (4.3%), United States of America ("US") (3.8%), South Korea (3.4%) and the United Kingdom ("UK") (3.2%). Collectively, these markets accounted for circa 74.4% of the total international visitor arrivals to Singapore. For four consecutive years leading up to 2019, Singapore saw growth in both visitor arrivals and tourism receipts despite global headwinds. Following a strong performance in 2018, tourist arrivals in Singapore continued to increase by 3.3% to 19.1 million in 2019, underpinned by an increase in visitation from North and South Asia, particularly from China, Indonesia and India.

In 2020, the total number of international visitor arrivals to Singapore totaled just 2.7 million due to unprecedented global travel restrictions and border closures from March 2020 amid the COVID-19 pandemic. International travel continued to be largely restricted in 2021, with only limited routes open in H2 2021 under the "Vaccinated Travel Lane" programme.



Source: Singapore Tourism Board (STB)

By 31 March 2022, vaccinated visitors could enter Singapore without any quarantine requirements. This was further extended to the removal of all Pre-Departure Tests to enter Singapore from 26 April 2022, effectively opening the country to vaccinated travellers from most markets.

In 2023, international visitor arrivals reached 13.6 million. This surge was fuelled by strong demand from Singapore’s key markets, notably Indonesia (2.3 million), China (1.4 million), Malaysia (1.1 million), Australia (1.1 million) and India (1.1 million). Visitors now spend more time in Singapore compared to pre-pandemic levels, with the average length of stay increasing to approximately 3.8 days in 2023, from 3.4 days in 2019. This positively impacted full-year tourism receipts which came in at S\$27.2 billion, just slightly under tourism receipts of S\$27.7 billion in 2019.

Year-To-Date (“YTD”) August 2024, 11.3 million international visitors were recorded, an increase of 25.6% compared to the same period the previous year. China (2.3 million) has since regained its position as first place with the most arrivals in Singapore, Indonesia at second place (1.7 million), followed by India (0.8 million), Malaysia (0.8 million), and Australia (0.8 million). For the full year, the Singapore Tourism Board (“STB”) expects international visitor arrivals to reach between 15 million to 16.5 million, and tourism receipts of approximately S\$27.5 billion to S\$29 billion.

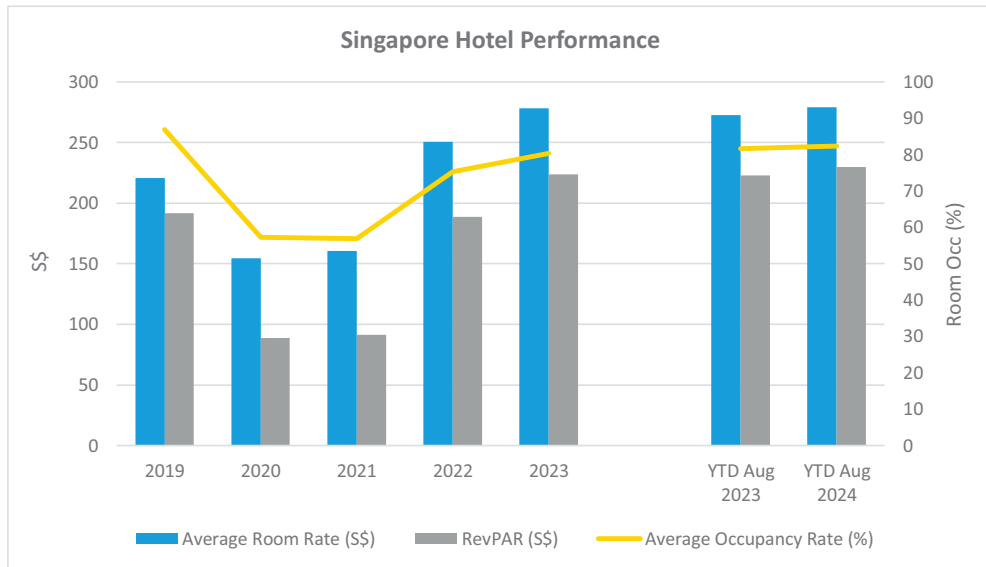
In 2024, STB launched a global campaign to position the Republic as the “World’s Best MICE (Meetings, Incentives, Conventions and Exhibitions) City”. Events such as the Singapore Airshow in February 2024 attracted nearly 60,000 trade attendees, surpassing the previous record set in 2018 by 10%. Additionally, the 18th edition of the Asia Pacific Maritime conference experienced its highest attendance yet, with over 15,700 attendees. According to Minister for Culture, Community, and Youth, Singapore aims to venture into concert tourism following successful concerts by Coldplay and Taylor Swift, which attracted over 200,000 and 300,000 fans respectively. These events injected an estimated S\$450 million into the Singapore economy, driving high international visitor arrivals, hotel occupancy rates and tourism revenue.

Additionally, Singapore’s tourism industry will receive S\$300 million from the government to grow the local economy and boost its global business-hub status. Starting from 2025, Disney Cruise Line’s latest cruise ship, Disney Adventure, will have exclusivity for year-round home-porting. Resorts World Singapore will also expand its S.E.A Aquarium to three times its size, launching as the new Singapore Oceanarium.

Hotel demand

In terms of historical hotel market performance, the average room occupancy was above 83% between 2011 and 2019. Despite the global economic headwinds and new supply entering the market in 2019, hotel

room occupancy and average daily rate (“ADR”) held up at 86.9% and S\$220.82, an increase of 0.9 percentage points (“pp”) and 1.1% y-o-y respectively. Correspondingly, revenue per available room (“RevPAR”) rose by 2.1% y-o-y to S\$191.96.



Source: STB, Colliers

In 2023, the ADR was recorded at S\$278.12 and RevPAR at S\$223.60, both the highest records for the last decade. Comparing 2023 to 2019, ADR expanded by 25.9% and RevPAR grew by 16.4% despite a decrease in occupancy of 7.5%.

YTD Aug 2024, occupancy, ADR and RevPAR rose by 0.7%, 2.3% and 3.4% respectively against the same time last year. Singapore’s hotel industry recorded an average occupancy of 82.4%, reflecting steady demand, with an ADR of S\$279.10 and RevPAR of \$229.96 for YTD Aug 2024. These figures are expected to remain elevated as operators capitalise on the demand for travel and accommodation, extracting premium rates from travellers with essential travel needs. However, in light of global economic slowdown, heightened operational costs and staffing difficulties, hotels may continue to cap their daily occupancy rates at marginally lower levels to ensure service quality and maximise effectiveness of available resources. Overall, demand for accommodation is expected to continue to increase through the second half of the year as leisure travel, business travel and MICE continue to return to Singapore.

The Hotel Industry Transformation Map 2025 (“ITM”), developed by the STB in partnership with the Food Drinks and Allied Workers Union, Singapore Hotel Association, industry players and other government agencies, lays out strategies to achieve real value-add growth of 5.9% between 2020-2025. The Hotel ITM 2025 aims to create a sustainable hotel industry, innovative experiences enabled by digital means and encourage wellness travel, while being supported by a strong local workforce.

Hotel supply

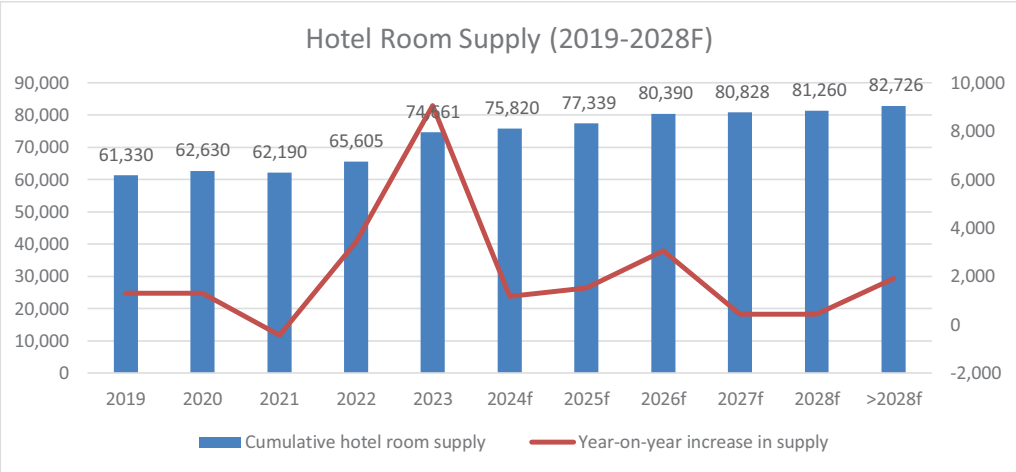
According to the Singapore Tourism Analytics Network (“STAN”), there are approximately 66,450 hotel rooms in the Singapore market currently.

Looking beyond 2024, the new room supply growth in Singapore is expected to be muted at a CAGR of 1.8%, as compared to 3.3% which was recorded between the 2015 and 2019 period. Within the next four years to 2028, approximately 5,440 new hotel rooms are projected to be injected into the market. This

estimate includes the two white sites at Marina View and River Valley available on the government land sales reserve list, which can together potentially accommodate circa 1,070 rooms.

By location, most of the new room supply will be in the city centre and positioned at the upscale/luxury level.

Notable new hotels that opened in 2023 were The Edition by Marriott (190 rooms), Pullman City Hall (350 rooms) and the Artyzen Cuscaden (142 rooms). Mercure Icon Singapore City Centre and Citadines Science Park have recently debuted in early 2024, contributing 989 and 250 rooms respectively. The Singapore Standard, Singapore, offering 143 rooms, is slated to open in the second half of 2024. Sprawling over nearly 5 hectares, the expansive Banyan Tree’s Mandai Rainforest Resort, will offer a grand total of 338 rooms, enriching Singapore’s hospitality landscape in 2025. In addition, we expect Marina Bay Sands and Resorts World Sentosa to add 2,100 rooms in circa 2026 as part of their integrated resort (“IR”) expansion plans. It is therefore likely that demand will continue to grow as the IRs expand their offerings.



In our view, Singapore will continue to remain a global hub, largely drawing on its largest source markets across the Asia Pacific region. The planned new attractions and infrastructure projects scheduled between 2023 and 2030 bode well for future visitation. Coupled with the relatively low level of new room supply, these developments should continue to support strong hotel fundamentals over the medium term. In addition, the Singapore government constantly monitors land use to ensure there is minimal demand and supply imbalance.

Recent transactions

Prior to the onset of COVID-19 in early-2020 and the subsequent two-year stagnation of the market, Singapore experienced an exponential increase in the value of hospitality assets sold between 2016 and Q4 2019. The rise in activity was caused by a number of factors, including cooling measures in the private residential market, which deterred determined investors with record amounts of funds and the desire to deploy them urgently. Portfolio sales, due to the consolidation of Real Estate Investment Trusts in Singapore, also contributed to the increase. Total hospitality investment sales surged to circa S\$3.9 billion (US\$2.9 billion) in 2019, up by 247% y-o-y, and the highest since 2014. Including the sales of W Singapore and Novotel Clarke Quay (announced in late November 2019 but completed in early 2020 respectively), the total hospitality sales in 2019 was circa S\$4.6 billion (US\$3.4 billion).

In 2020, as a result of the COVID-19 pandemic, transactional volume in Singapore reduced to a trickle. However, there were a few significant partial purchase (equity) deals of major assets such as Swissotel Singapore and Fairmont Singapore.

4 CLAS | Colliers International

In 2021, while the number of transactions increased, the deals were mostly boutique-scale or conservation lodging properties with an average acquisition size of circa S\$30 million each. A number of these properties offered buyers the opportunity to renovate and command higher daily rates, or reconfigure them into co-living accommodation.

Hotel investment activity in 2022 consisted of many sub-S\$100 million sales along with three major acquisitions, namely the Central Square Village Residences at S\$244.3 million, SO/ Singapore at S\$240 million and 30 Bideford Road at S\$125.2 million, driving the total to S\$1.17 billion.

2023 saw Amber Hotel Katong being transacted at S\$34.8 million and Parkroyal on Kitchener Road for S\$525 million.

In the first half of 2024, there were two transactions in the Rochor region: Hotel G and Citadines Mount Sophia for S\$238 million and S\$148 million respectively. Pasir Panjang Inn was traded for an undisclosed amount. Hotel Telegraph in Robinson Road (S\$180 million) and Capri by Fraser Changi City (S\$170.0 million) were transacted in May, while Fraser Residence River Promenade was transacted at S\$140.0 million.

Hotel sale transactions in Singapore from 2019 to 2024 include:

Date	Name of Property	No. of Keys	Transacted Price (S\$)	
			Total (mil)	Per Key (mil)
2019	Marina Mandarin	575	190 ¹	1.3
	Hotel Clover	29	27	0.9
	Ascott Raffles Place Singapore	146	353	2.4
	Ibis Novena	241	170	0.7
	The Claremont	90	68	0.8
	Darby Park	55	160	2.9
	Bay Hotel Singapore	319	235	0.7
	The Amaris by Santika	38	30	0.8
	Oakwood Premier OUE Singapore	268	289	1.1
	Andaz Singapore Hotel	342	475	1.4
	Mandarin Orchard	1,077	1,241	1.1
	Crowne Plaza Changi Airport	563	649	1.1
	2020	W Singapore	240	324
Novotel Singapore Clarke Quay		403	376	0.9
Park Hotel Clarke Quay		336	325	1.0
Somerset Liang Court		197	163	0.8
Swissotel The Stamford		1,252	680 ²	0.9
Fairmont Singapore		769	418 ³	0.9
2021	Citadines Raffles Place (opens in 2022)	299	115 ⁴	0.4
	Amber Hotel Katong	25	27	1.1
	Balestier Hotel	42	15	0.4
	Gay World Hotel	27	13.5	0.5
	D'Kranji Farm Resort	35	5	0.1
	Malacca Hotel	29	23	0.8
2022	Regin Hotel	46	14.5	0.3
	14 Purvis Street	32	20.8	0.6
	Porcelain Hotel	138	90.0	0.7
	K Hotel	56	16.6	0.3
	Central Square Village Residences	128	244	1.9

Date	Name of Property	No. of Keys	Transacted Price (S\$)	
			Total (mil)	Per Key (mil)
	Hotel Nuve Heritage	32	28.7	0.9
	Fortuna Hotel	106	85.8	0.8
	12 On Shan	78	86.5	1.1
	Hotel Clover 33 Jalan Sultan	88	74.8	0.9
	SO/ Singapore	134	240.0	1.8
	Hotel Soloha	45	53.4	1.2
	30 Bideford Road	168	125.2	0.7
	Sing Hoe Hotel	41	20.8	0.5
	Pasir Panjang Inn	54	21.2	0.4
	New Society Backpackers Hostel	48	5.6	0.1
	48 Arab Street	22	4.7	0.2
	Hotel Clover 5 Hongkong Street	55	N.A	N.A
2023	Amber Hotel Katong	25	34.8	1.4
	Parkroyal on Kitchener Road	542	525	0.9
2024	Hotel Telegraph	134	180	1.3
	Hotel G	308	238	0.7
	Citadines Mount Sophia Singapore	154	148	0.9
	Pasir Panjang Inn	54	N.A	N.A
	Capri by Frasers Changi City	313	170.0	0.5
	Frasers Residence River Promenade ⁵	72	140.9	2.0
	Citadines Raffles Place (Pending)	299	300.0	1.0

¹ Represents 25% stake in Marina Mandarin, full hotel value is at S\$760 million.

² Represents 60% stake in Swissotel Stamford, full hotel value is at S\$1,133 million.

³ Represents 60% stake in Fairmont Singapore, full hotel value is at S\$696 million.

⁴ Represents 45% stake in Citadines Raffles Place, full hotel value is at S\$255 million.

⁵ Includes three adjacent commercial warehouses.

Source: Colliers and RCA

As revealed through our discussions with owners and investors, the recent uplift in market performance in 2024 and greater clarity in the future of travel and market conditions have solidified their view that asset prices will remain firm or potentially increase given the extremely limited supply of quality assets in the open market.

Looking ahead, while the global economic outlook is expected to remain uncertain, we remain positive on Singapore's tourism and hospitality outlook as free international travel returns and the country seeks to re-establish itself as the business epicentre of Asia and as a key transit, MICE and leisure destination for Asia Pacific. The country's political and commercial leadership has recognised the need for the development and enhancement of key tourism initiatives to ensure Singapore remains on the path to being heralded as an attractive tourist destination in the "new normal" after the pandemic, and to further solidify the country's status as a prominent business events destination, a "City in a Garden", and a global metropolis. Given Singapore's market transparency, national and financial security and political motivation for these initiatives, we expect investors' interest for hotel assets to remain healthy.

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Colliers International Consultancy & Valuation (Singapore) Pte Ltd
RCB No: 198105965E

Asia Square Tower 2
12 Marina View #17-02
Singapore 018961

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A stapled group comprising:

**CAPITALAND ASCOTT REAL ESTATE
INVESTMENT TRUST**

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

MANAGED BY
**CAPITALAND ASCOTT TRUST
MANAGEMENT LIMITED**

**CAPITALAND ASCOTT
BUSINESS TRUST**

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

MANAGED BY
**CAPITALAND ASCOTT BUSINESS
TRUST MANAGEMENT PTE. LTD.**

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the holders of stapled securities of CapitaLand Ascott Trust (“**CLAS**”, and the holders of stapled securities of CLAS, “**Stapled Securityholders**”), which comprises CapitaLand Ascott Real Estate Investment Trust (“**CapitaLand Ascott REIT**”) and CapitaLand Ascott Business Trust (“**CapitaLand Ascott BT**”), will be held at Heliconia Ballroom, Level 3, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on **Monday, 18 November 2024 at 2.00 p.m. (Singapore time)**, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 29 October 2024 to Stapled Securityholders (the “**Circular**”)):

ORDINARY RESOLUTION

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

RESOLVED That:

- (i) approval be and is hereby given for the proposed acquisition by DBS Trustee Limited (as trustee of CapitaLand Ascott REIT) (the “**REIT Trustee**”), from Victory SR Pte. Ltd. (the “**Vendor**”), of 100.0% of the issued units in Victory SR Trust (“**VSRT**”), which directly holds 100.0% of the interest in lyf Funan Singapore, 67 Hill Street, Level 4 Funan, Singapore 179370 (the “**Property**”, and the acquisition, the “**Proposed Acquisition**”), on the terms and conditions set out in the conditional unit purchase agreement which the REIT Trustee entered into with the Vendor to acquire 100.0% of the issued units in VSRT (the “**Unit Purchase Agreement**”), and the entry into the Unit Purchase Agreement be and is hereby approved and ratified;

- (ii) approval be and is hereby given for the execution of the master lease to be entered into between HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of VSRT) (the “**VSRT Trustee**”) as the master lessor, and Iyf Funan Management Pte. Ltd., which is a wholly owned subsidiary of The Ascott Limited, as the master lessee, in relation to the Property (the “**Master Lease**”, and the entry into the Master Lease together with Proposed Acquisition, the “**Proposed Transactions**”), on the terms and conditions set out in the Master Lease;
- (iii) approval be and is hereby given for the execution of the deed of appointment and retirement of the manager to be entered into between the VSRT Trustee, CapitaLand Fund Management Pte. Ltd. (in its capacity as the existing manager of VSRT) (the “**Existing VSRT Manager**”) and CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) (the “**REIT Manager**”), with the Existing VSRT Manager retiring as manager of VSRT and the REIT Manager appointed as the new manager of VSRT, on the terms and conditions set out in the deed of appointment and retirement of the manager;
- (iv) approval be and is hereby given for the entry by CLAS (whether directly or indirectly through its subsidiaries) into all agreements and transactions in connection with the Proposed Transactions, and all ancillary agreements contemplated thereby or incidental thereto, or which are necessary to give effect to the Proposed Transactions; and
- (v) the REIT Manager and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT) (together, the “**Managers**”), any director of the Managers and the REIT Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Managers, such director of the Managers or, as the case may be, the REIT Trustee, may consider expedient or necessary or in the interests of CLAS to give effect to the Proposed Transactions, and the entry into the agreements and all transactions in connection therewith.

BY ORDER OF THE BOARD

**CapitaLand Ascott Trust
Management Limited**
(Company Registration No. 200516209Z)
As manager of CapitaLand Ascott Real Estate
Investment Trust

Karen Chan
Company Secretary
29 October 2024

**CapitaLand Ascott Business Trust
Management Pte. Ltd.**
(Company Registration No. 201925299R)
As trustee-manager of CapitaLand Ascott
Business Trust

Karen Chan
Company Secretary
29 October 2024

IMPORTANT NOTICE:

1. Physical EGM

The EGM will be held **physically** at Heliconia Ballroom, Level 3, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on **Monday, 18 November 2024 at 2.00 p.m. (Singapore time)**. There will be no option to participate virtually.

Printed copies of this Notice of EGM dated 29 October 2024 (the “**Notice of EGM**”) and the proxy form (the “**Proxy Form**”) will be sent to Stapled Securityholders. The Notice of EGM and the Proxy Form have also been published on CLAS’ website at the URL https://investor.capitalandascotttrust.com/agm_egm.html, and have also been made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

2. Attend in person at the EGM

Stapled Securityholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies) will be able to attend the EGM in person. They will first need to register personally at the registration counter(s) outside the EGM venue on the day of the event, and should bring along their NRIC/passport to enable CLAS’ Stapled Security Registrar to verify their identity for entry to, and (where applicable) be provided with a handheld device for electronic voting at, the EGM.

Registration will commence at **1.00 p.m. on Monday, 18 November 2024**. Stapled Securityholders are advised not to attend the EGM if they are feeling unwell. Please note that there will be no distribution of vouchers or door gifts at the EGM.

3. Question and answer

Stapled Securityholders, including CPF and SRS investors, can submit questions in advance of, or at, the EGM.

Submission of questions in advance of the EGM

Stapled Securityholders, including CPF and SRS investors, can submit to the Chairman of the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM. Such questions must be received by the Managers no later than **2.00 p.m. on Monday, 11 November 2024**, and can be submitted in the following manner:

- (a) via CLAS’ website at the URL https://investor.capitalandascotttrust.com/agm_egm.html;
- (b) via email to the Managers at ask-us@capitalandascotttrust.com; or
- (c) by post to the office of CLAS’ Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Stapled Securityholders, including CPF and SRS investors, who submit questions via email or by post must provide the following information for authentication:

- (a) the Stapled Securityholder’s full name;
- (b) the Stapled Securityholder’s address; and
- (c) the manner in which the Stapled Securityholder holds Stapled Securities (e.g., via CDP, CPF, SRS and/or scrip).

Stapled Securityholders are encouraged to submit their written questions promptly for these to be addressed.

Ask questions at the EGM

Stapled Securityholders, including CPF and SRS investors, and, where applicable, their duly appointed proxy(ies) can also ask the Chairman of the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM, at the EGM itself.

Addressing questions

The Managers will endeavour to address all substantial and relevant questions (which are related to the resolution to be tabled for approval at the EGM) received from Stapled Securityholders by the submission deadline by publishing the responses to such questions on CLAS’ website at the URL https://investor.capitalandascotttrust.com/agm_egm.html and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> prior to the EGM and by Thursday, 14 November 2024.

Any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolution to be tabled for approval at the EGM) received after the submission deadline which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received at the EGM itself, will be addressed during the EGM. Where substantially similar questions are received, the Managers will consolidate such questions and consequently, not all questions may be individually addressed.

The Managers will publish the minutes of the EGM on CLAS' website and on the SGX website, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

4. Vote in person, or appoint proxy(ies) to vote, at the EGM

Stapled Securityholders can vote at the EGM themselves or through their duly appointed proxy(ies).

Voting at the EGM

Upon their registration at the EGM venue, Stapled Securityholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies), will be provided with a handheld device for electronic voting at the EGM.

Appointment of proxy(ies)

A Stapled Securityholder who wishes to appoint a proxy(ies) must complete an instrument appointing a proxy(ies), before submitting it in the manner set out below. A proxy need not be a Stapled Securityholder.

A Stapled Securityholder who is not a relevant intermediary (as defined herein) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such Stapled Securityholder's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the stapled securityholding concerned to be represented by each proxy must be specified in the instrument appointing a proxy(ies).

A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder's instrument appointing a proxy(ies) appoints two or more proxies, the number of Stapled Securities held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).

A Stapled Securityholder who wishes to submit an instrument appointing a proxy(ies) must do so in the following manner:

- (a) if submitted electronically:
 - (i) via the CLAS website, by completing and authorising the appointment using the online proxy appointment process, through the CLAS website which is accessible at the URL https://investor.capitalandascotttrust.com/agm_egm.html; or
 - (ii) via email, by completing and signing the Proxy Form, before attaching and sending a clear scanned PDF copy of it to CLAS' Stapled Security Registrar at clas@boardroomlimited.com; or
- (b) if submitted by post, by completing and signing the Proxy Form, before lodging it with CLAS' Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632,

in each case, by **2.00 p.m. on Saturday, 16 November 2024**, being 48 hours before the time fixed for the EGM.

Where an instrument appointing a proxy(ies) is executed by an attorney under a power of attorney or other authority on behalf of the appointor, or by a corporation under its common seal, such instrument appointing a proxy(ies) may only be submitted by post or via email using the Proxy Form, and not via the CLAS website.

Completion and submission of an instrument appointing a proxy(ies) by a Stapled Securityholder will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of the proxy(ies) for the EGM shall be deemed to be revoked if the Stapled Securityholder attends the EGM, and in such event, the Managers reserve the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.

CPF and SRS investors who wish to exercise their voting rights at the EGM can refer to paragraph 5 below, for more information.

5. Persons who hold Stapled Securities through relevant intermediaries

Persons who hold Stapled Securities of CLAS through relevant intermediaries, other than CPF and SRS investors, and who wish to participate in the EGM by:

- (a) attending the EGM in person;
- (b) submitting questions to the Chairman of the EGM in advance of, or at, the EGM; and/or
- (c) voting at the EGM (i) by being appointed as proxy by their relevant intermediaries; or (ii) by specifying their voting instructions to/arrange for their votes to be submitted with their respective intermediaries as proxy to vote on their behalf at the EGM,

should contact the relevant intermediary through which they hold such Stapled Securities as soon as practicable in order for the necessary arrangements to be made for their participation in the EGM.

CPF and SRS investors:

- (a) may vote at the EGM if they are appointed as proxy(ies) by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxy(ies); or
- (b) (as an alternative to (a) above) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Wednesday, 6 November 2024**, being seven working days before the date of the EGM. For avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the EGM) to vote live at the EGM on their behalf.

“**relevant intermediary**” means:

- (i) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity; or
- (iii) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. Other information

- (a) The Circular has been published on CLAS’ website at the URL https://investor.capitalandascotttrust.com/agm_egm.html, and has also been made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Printed copies of the Circular will not be sent to Stapled Securityholders unless such Stapled Securityholder had previously made a standing election on or after 27 February 2024 to receive printed copies of documents. Any Stapled Securityholder who did not previously make such a standing election but who now wishes to receive a printed copy of the Circular should submit his/her/its request via email to the Managers at ask-us@capitalandascotttrust.com no later than **12.00 p.m. on Friday, 8 November 2024**.

Kindly note that limited printed copies of the Circular will be available at the EGM venue, and will be made available on a first come first served basis.

- (b) Any reference to a time of day is made by reference to Singapore time.

Personal Data Privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, (b) registering for the EGM in accordance with this Notice of EGM; and/or (c) submitting any question to the Chairman of the EGM in advance of the EGM in accordance with this Notice of EGM, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the Managers (or their agents or service providers) for the following purposes (collectively, "**Purposes**"); (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to the Managers (or their agents or service providers), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Managers (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees to provide the Managers with written evidence of such prior consent upon reasonable request:

- (1) the processing, administration and analysis by the Managers (or their agents or service providers) of instruments appointing a proxy(ies) and/or representative(s) for the EGM (including any adjournment thereof);
- (2) the processing of the registration for purposes of verifying the status of Stapled Securityholders, granting access to Stapled Securityholders (or their appointed proxy(ies)) to the EGM and providing them with any technical assistance where necessary;
- (3) the addressing of relevant and substantial questions received from Stapled Securityholders in advance of the EGM and, if necessary, the following up with the relevant Stapled Securityholders in relation to such questions;
- (4) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (5) in order for the Managers (or their agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

CAPITALAND ASCOTT TRUST

A stapled group comprising:

CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 January 2006 (as amended))

CAPITALAND ASCOTT BUSINESS TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 September 2019 (as amended))

Note: This Proxy Form can be downloaded from CapitaLand Ascott Trust's ("CLAS") website at the URL https://investor.capitalandascotttrust.com/agm_egm.html, or the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Proxy Form will also be sent to Stapled Securityholders.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of the Extraordinary General Meeting dated 29 October 2024 (the "Notice of EGM", and the Extraordinary General Meeting, the "EGM").

PROXY FORM

Extraordinary General Meeting

IMPORTANT:

- The EGM will be held **physically** at Heliconia Ballroom, Level 3, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956. Printed copies of the Notice of EGM will be sent to Stapled Securityholders. The Notice of EGM has also been published on CLAS' website at https://investor.capitalandascotttrust.com/agm_egm.html, and has been made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Please refer to the Notice of EGM for details relating to the conduct of the EGM.
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Wednesday, 6 November 2024**, being seven working days before the date of the EGM.
- This Proxy Form is for use by Stapled Securityholders wishing to appoint a proxy(ies) for the EGM. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).**

I/We, _____ (Name(s)), _____ (NRIC/Passport/Company Registration Number)
of _____ (Address)
being a Stapled Securityholder/Stapled Securityholders of CLAS, hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Stapled Securityholdings	
		No. of Stapled Securities	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Stapled Securityholdings	
		No. of Stapled Securities	%
Address:			

or, failing whom, the Chairman of the EGM, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the EGM to be held at Heliconia Ballroom, Level 3, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on **Monday, 18 November 2024 at 2.00 p.m. (Singapore time)** and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder.

Ordinary Resolution	For*	Against*	Abstain*
Proposed acquisition of 100.0% of the issued units in Victory SR Trust, which directly holds 100.0% of the interest in Iyf Funan Singapore, and entry into the master lease, as an interested person transaction			

* *Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" the resolution, please indicate with a "J" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish your proxy/proxies to abstain from voting on the resolution, please indicate with a "J" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of Stapled Securities that your proxy/proxies is/are directed to abstain from voting in the "Abstain" box in respect of that resolution. **In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on the above resolution if no voting instruction is specified, and on any other matter arising at the EGM.***

Dated this _____ day of _____ 2024

Total number of Stapled Securities held



Signature(s) of Stapled Securityholder(s)/Common Seal of Corporate Stapled Securityholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

Affix
Postage
Stamp

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED
(as manager of CapitaLand Ascott Real Estate Investment Trust)

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
(as trustee-manager of CapitaLand Ascott Business Trust)

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

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NOTES TO PROXY FORM:

1. A Stapled Securityholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such Stapled Securityholder's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the stapled securityholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy(ies).
2. A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder's instrument appointing a proxy(ies) appoints two or more proxies, the number of Stapled Securities held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).

"relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity; or
 - (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a Stapled Securityholder of CLAS.
 4. A Stapled Securityholder who wishes to submit an instrument appointing a proxy(ies) must do so in the following manner:
 - (a) if submitted electronically:
 - (i) via the CLAS website, by completing and authorising the appointment using the online proxy appointment process, through the CLAS website which is accessible at the URL https://investor.capitalandascotttrust.com/agm_egm.html; or
 - (ii) via email, by completing and signing the Proxy Form, before attaching and sending a clear scanned PDF copy of it to CLAS' Stapled Security Registrar at clas@boardroomlimited.com; or
 - (b) if submitted by post, by completing and signing the Proxy Form, before lodging it with CLAS' Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632,

in each case, by **2.00 p.m. on Saturday, 16 November 2024**, being 48 hours before the time fixed for the EGM.

Where an instrument appointing a proxy(ies) is executed by an attorney under a power of attorney or other authority on behalf of the appointor, or by a corporation under its common seal, such instrument appointing a proxy(ies) may only be submitted by post or via email using the Proxy Form, and not via the CLAS website.

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5. A Stapled Securityholder should insert the total number of Stapled Securities held in the Proxy Form. If the Stapled Securityholder has Stapled Securities entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited, he/she/it should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities registered in his/her/its name in the Register of Stapled Securityholders of CLAS, he/she/it should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities entered against his/her/its name in the said Depository Register and Stapled Securities registered in his/her/its name in the Register of Stapled Securityholders of CLAS, he/she/it should insert the aggregate number of Stapled Securities. If no number is inserted, the Proxy Form will be deemed to relate to all the Stapled Securities held by the Stapled Securityholder.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Managers), if the Proxy Form is submitted by post, be lodged with the Proxy Form or, if the Proxy Form is submitted via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Completion and submission of an instrument appointing a proxy(ies) by a Stapled Securityholder will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of the proxy(ies) for the EGM shall be deemed to be revoked if the Stapled Securityholder attends the EGM, and in such event, the Managers reserve the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM. Stapled Securityholders and/or their proxy(ies) attending the EGM should note that registration will commence at **1.00 p.m. on Monday, 18 November 2024**. Stapled Securityholders and/or their proxy(ies) are advised not to attend the EGM if they are feeling unwell.
9. Any reference to a time of day is made by reference to Singapore time.

General:

The Managers shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of Stapled Securities entered in the Depository Register, the Managers may reject any instrument appointing (or treated as appointing) a proxy(ies) if the Stapled Securityholder, being the appointor, is not shown to have Stapled Securities entered against his/her/its name in the Depository Register as at 48 hours before the time set for holding the EGM or the adjourned meeting, as appropriate, as certified by The Central Depository (Pte) Limited to the Managers.

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