



## **ASCOTT RESIDENCE TRUST**

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

### **ANNOUNCEMENT**

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#### **ENTRY INTO INTERESTED PERSON TRANSACTION -**

#### **RENEWAL OF MANAGEMENT AGREEMENT FOR SOMERSET HO CHI MINH CITY**

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#### **1. INTRODUCTION**

Ascott Residence Trust Management Limited (the “**Manager**”), as manager of Ascott Residence Trust (“**Ascott Reit**”) wishes to announce the renewal of the Service Residence Management Agreement (the “**SRMA**” and the renewal of the SRMA, the “**SRMA Renewal**”) for the property known as Somerset Ho Chi Minh City between Mekong-Hacota Joint Venture Co. Ltd (“**MHJV**”), a subsidiary of Ascott Reit, and Ascott International Management Vietnam Co. Ltd (“**AIMV**”).

#### **2. DISCLOSURE REQUIREMENTS**

As at the date of this announcement, CapitaLand Limited holds an aggregate interest in 981,869,261 units of Ascott Reit (“**Units**”), which is equivalent to approximately 45.1%<sup>2</sup> of the total number of Units in issue, and is therefore regarded as a “controlling unitholder” of Ascott Reit under the listing manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”). In addition, as the Manager is a wholly owned subsidiary of CapitaLand, CapitaLand is therefore regarded as a “controlling shareholder” of the Manager under the Listing Manual.

As AIMV is a wholly owned subsidiary of CapitaLand, for purposes of Chapter 9 of the Listing Manual, AIMV (being a subsidiary of a “controlling unitholder” of Ascott Reit and a “controlling shareholder” of the Manager) is an “interested person” of Ascott Reit.

Therefore, the SRMA Renewal constitutes an “interested person transaction” under Chapter 9 of the Listing Manual. The SRMA Renewal, when aggregated with the existing interested person transactions with CapitaLand and its associates during the current financial year would exceed 3.0% of the latest audited net tangible assets (“**NTA**”) of Ascott Reit. Accordingly, under Rule 905 of the Listing Manual, the Manager is required to make an announcement of the SRMA Renewal.

### 3. RATIONALE AND KEY TERMS OF THE SRMA RENEWAL

MHJV has entered into the SRMA with AIMV on 24 December 2019.

Pursuant to the SRMA, AIMV will provide services that include, *inter alia*, recruitment, training and supervision of all personnel, supervision and control of activities of guests and planning and contracting for advertising and promotions programmes (the “**SR Management Services**”) for a term of 10 years from 1 June 2019 (the “**SR Term**”) for the property known as Somerset Ho Chi Minh City.

MHJV shall pay AIMV an estimated amount of S\$7,000,000 (estimated based on the forecast total revenue and gross operating profit for the SR Term) (“**SR Management Fees**”) over the SR Term as fees for the SR Management Services provided by AIMV. The SR Management Fees are calculated based on a schedule of percentages of the forecast total revenue and gross operating profit for each fiscal year during the SR Term.

Comparative terms were sought by the Manager and AIMV’s terms for the SR Management Services were fair and within the usual range for a property in the same market.

The SRMA Renewal will benefit Ascott Reit as Ascott is one of the leading international serviced residence owner-operators and has a proven track record of delivering good quality serviced residences and AIMV has the necessary experience in managing the property.

### 4. AUDIT COMMITTEE STATEMENT

The Audit Committee, with Mr Lim Cho Pin Andrew Geoffrey abstaining, has considered the terms of the SRMA Renewal and is of the view that the SRMA Renewal is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and its minority shareholders.

### 5. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS FOR THE CURRENT FINANCIAL YEAR

As at the date of this announcement, the aggregate value of all interested person transactions entered into between Ascott Reit and CapitaLand and its associates (excluding Temasek Holdings (Private) Limited and its subsidiaries and associates) (the “**CL Group**”) during the course of the current financial year (including the SRMA Renewal) is approximately S\$1,262.0 million.

As at the date of this announcement, the total value of all interested person transactions entered into by Ascott Reit and all interested persons during the course of the current financial year (including the SRMA Renewal) is approximately S\$1,262.2 million.

## 6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDER

As at the date of this announcement, certain directors of the Manager (the “**Directors**”) collectively hold an aggregate direct and indirect interest in 638,751 Units and 1,096,445 shares in CapitaLand.

The Manager is a wholly owned subsidiary of CapitaLand. Mr Lee Chee Koon is a Non-Executive Non-Independent Director of the Manager and the President and Group Chief Executive Officer of CapitaLand. Mr Lim Cho Pin Andrew Geoffrey is a Non-Executive Non-Independent Director of the Manager and the Group Chief Financial Officer of CapitaLand.

Based on the Register of Substantial Unitholders<sup>1</sup> Unitholdings maintained by the Manager:

- (a) Temasek Holdings (Private) Limited, through its associated companies (including CapitaLand Limited and its subsidiaries), has an aggregate deemed interest in 985,008,933 Units, which is equivalent to approximately 45.2%<sup>2</sup> of the total number of Units in issue; and
- (b) CapitaLand, through its subsidiaries, is deemed to have an interest in 981,869,261 Units, which is equivalent to approximately 45.1%<sup>2</sup> of the total number of Units in issue.

Save as disclosed above and based on information available to the Manager as at the date of this announcement, none of the Directors or the controlling unitholder has any interest, direct or indirect, in the SRMA Renewal.

BY ORDER OF THE BOARD  
Ascott Residence Trust Management Limited  
(Registration Number: 200516209Z)  
As manager of Ascott Residence Trust

Karen Chan  
Company Secretary  
24 December 2019

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<sup>1</sup> “Substantial Unitholders” refer to persons with an interest in Units constituting not less than 5.0% of all Units in issue.

<sup>2</sup> the percentage is based on 2,178,811,398 Units in issue in Ascott Reit as at the date of this announcement.

**IMPORTANT NOTICE**

The value of units in Ascott Residence Trust (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Ascott REIT is not necessarily indicative of the future performance of Ascott REIT.