

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



Ascott Residence Trust
(a unit trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

managed by
Ascott Residence Trust Management Limited

Your Vote Counts



Please vote in person or by proxy

COMPOSITE DOCUMENT TO UNITHOLDERS OF ASCOTT RESIDENCE TRUST (“ASCOTT REIT”) IN RELATION TO THE:

Extraordinary General Meeting (“EGM”)	1	Proposed amendments to the trust deed constituting Ascott Reit in relation to the Ascott Reit Scheme
	2	Proposed combination of Ascott Reit and Ascendas Hospitality Trust by way of a trust scheme of arrangement
	3	Proposed allotment and issuance of new Ascott Reit-BT Stapled Units to the A-HTRUST Stapled Unitholders as part of the consideration for the Combination
	4	General mandate for the issuance of new Ascott Reit-BT Stapled Units
	5	Proposed amendments to the trust deed constituting Ascott Reit in relation to the reference period for the determination of the price at which to issue units as payment of fees
Ascott Reit Scheme Meeting (“Scheme Meeting”)		Trust scheme of arrangement in relation to the stapling of Ascott Reit to a newly-constituted business trust

IMPORTANT DATES AND TIMES

EGM	Last Date and Time for Lodgement of Proxy Form	19 October 2019 (Saturday) at 10:00 a.m.
	Date and Time	21 October 2019 (Monday) at 10:00 a.m.
Scheme Meeting	Last Date and Time for Lodgement of Proxy Form	19 October 2019 (Saturday) at 11:00 a.m.
	Date and Time	21 October 2019 (Monday) at 11:00 a.m. or as soon thereafter following the conclusion or adjournment of the EGM to be held
Venue	Raffles City Convention Centre, Padang/Collyer Ballroom, Level 4, 2 Stamford Road, Singapore 178882	



Sole Financial Adviser in relation to the Combination



Independent Financial Adviser to the Audit Committee and the Independent Directors of Ascott Residence Trust Management Limited and to DBS Trustee Limited (as trustee of Ascott Reit) in relation to the Combination

This composite document dated 26 September 2019 (“Composite Document”) is issued by Ascott Residence Trust Management Limited (the “Ascott Reit Manager”), in its capacity as manager of Ascott Reit. 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 Composite Document. 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 adviser immediately.

If you have sold or transferred all your units in Ascott Reit, you should immediately forward this Composite Document, together with the Notice of Extraordinary General Meeting, the Notice of Scheme Meeting and the accompanying Proxy Forms in this Composite Document, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Composite Document is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Consideration Units (as defined herein) have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction, and the Consideration Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of Ascott Reit in the United States would be made by means of a prospectus that would contain detailed information about Ascott Reit and the Ascott Reit Manager, as well as the relevant financial statements. The Ascott Reit Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

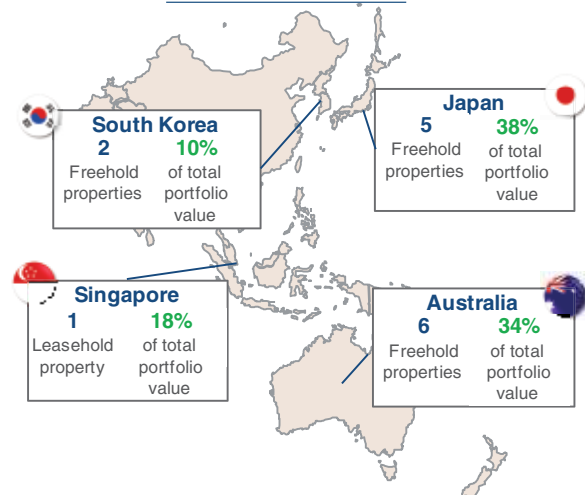
The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Composite Document. Meanings of defined terms may be found in the Glossary of this Composite Document and, for the purposes of the gatefold, any and all references to "Scheme Meeting" mean the Ascott Reit Scheme Meeting (not, for the avoidance of doubt, the A-HTRUST Scheme Meeting).

1 Overview of the Combination

Consolidate Ascott Reit's position as the largest hospitality trust in Asia Pacific with total assets of S\$7.6 billion⁽¹⁾

- Proposed S\$1.9 billion⁽²⁾ deal to combine Ascott Reit and A-HTRUST by way of a trust scheme of arrangement with a total consideration of S\$1.2 billion⁽³⁾
- Ascott Reit to acquire all issued and paid-up Stapled Units in A-HTRUST at S\$1.0868 per A-HTRUST Stapled Unit, comprising:
 - ✓ 5% in cash or S\$0.0543⁽⁴⁾ per A-HTRUST Stapled Unit; and
 - ✓ 95% in units or 0.7942⁽⁴⁾ Ascott Reit-BT Stapled Units issued at a price of S\$1.30 each

A-HTRUST Portfolio



14 properties with over 4,700 rooms in seven cities across Asia Pacific

2 Enlarged Portfolio



88 properties

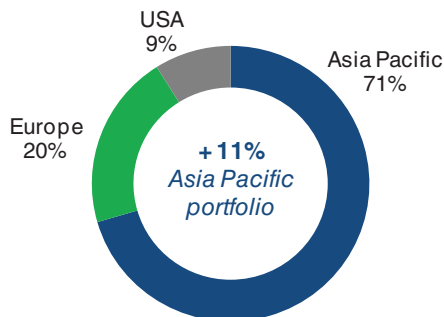
>16,000 units

15 countries

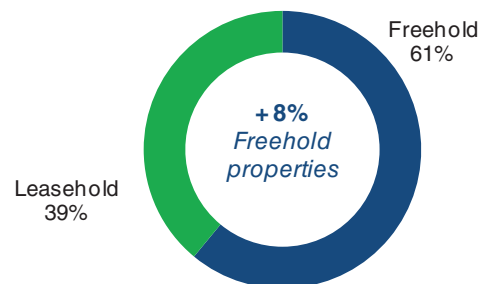
39 cities

>15 brands

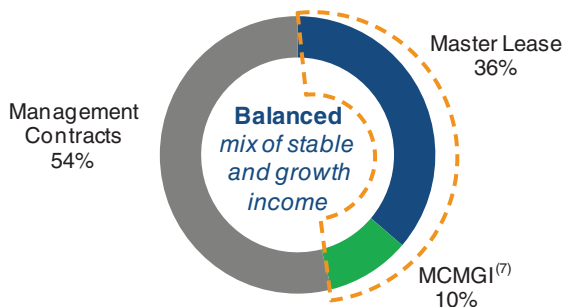
Strengthened presence in Asia Pacific



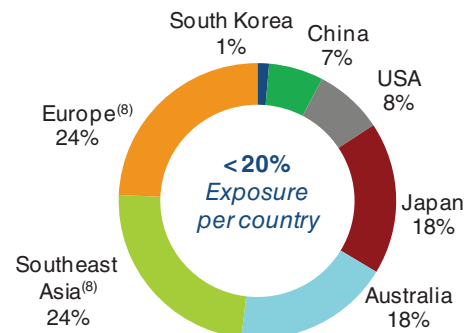
Increased freehold component



Balance between stable and growth income

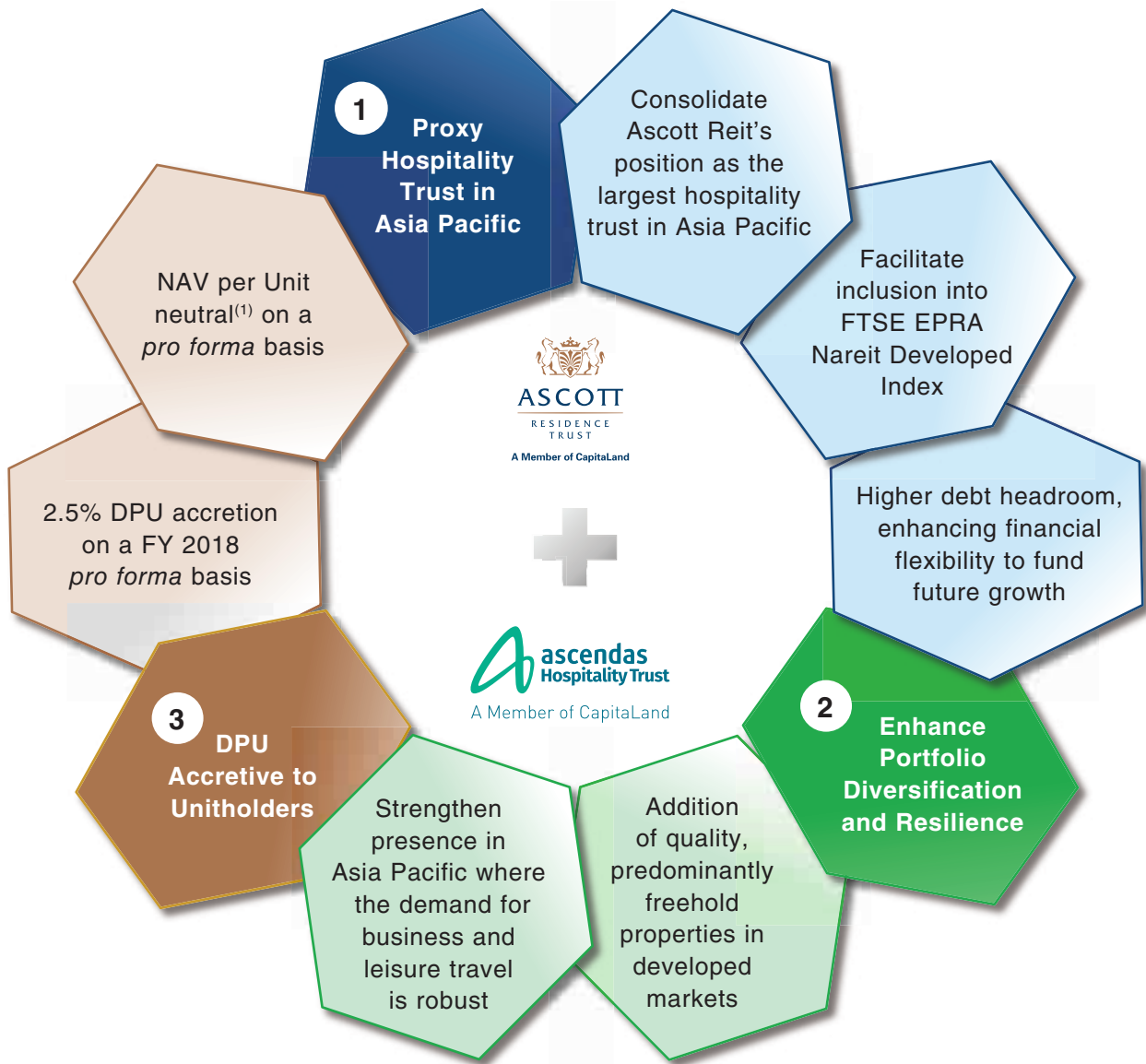


Reduced concentration risk



Notes: (1) Based on the combined total assets of the Ascott Reit Group and the A-HTRUST Group as at 31 March 2019. (2) Based on the total assets of A-HTRUST Group as at 31 March 2019. (3) Calculated based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date. (4) The aggregate Cash Consideration to be paid to each A-HTRUST Stapled Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each A-HTRUST Stapled Unitholder shall be entitled to pursuant to the A-HTRUST Scheme, based on the number of the A-HTRUST Stapled Units held by such A-HTRUST Stapled Unitholder as at the A-HTRUST Scheme Entitlement Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded. (5) Breakdown of the combined portfolio valuation of S\$6.7 billion, based on the financial position of the Ascott Reit Group and the A-HTRUST Group as at 31 December 2018 and 31 March 2019, respectively. (6) Breakdown of the combined gross profit of S\$325 million, based on the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements, excluding contributions from the divested China properties. For A-HTRUST, gross profit refers to net property income. (7) MCMGI refers to Management Contracts with Minimum Guaranteed Income. (8) Europe comprises France (10%), the United Kingdom (7%), Germany (5%), Spain (1%) and Belgium (1%); Southeast Asia comprises Singapore (13%), Vietnam (7%), Indonesia (2%), the Philippines (2%) and Malaysia (<1%).

3 Rationale and Benefits of the Combination



Hotel Sunroute Ariake



Pullman Sydney Hyde Park



Sotetsu Grand Fresa Osaka-Namba



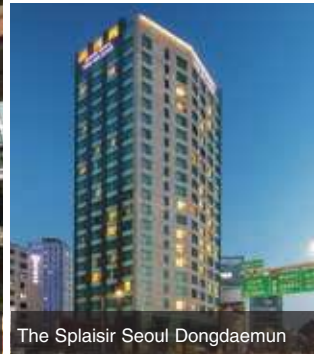
ibis Ambassador Seoul Insadong



Park Hotel Clarke Quay



Novotel Sydney Central



The Splaisir Seoul Dongdaemun

Notes: Please refer to paragraph 3 of the Letter to Ascott Reit Unitholders for more details.

(1) Refers to the *pro forma* adjusted NAV for each Ascott Reit Unit, assuming the premium over NAV of A-HTRUST is written off and excluding Transaction Costs.

4 Opinion of the Independent Financial Adviser

An extract of the opinion of the Ascott Reit IFA is reproduced below. Based on the considerations set out in the Ascott Reit IFA Letter, the Ascott Reit IFA is of the opinion that:



- Based on the pricing principle of the Combination, the A-HTRUST Scheme Consideration and issue price of the Consideration Units, the A-HTRUST Stapled Units and the Consideration Units **are both FAIRLY VALUED**
- The Combination is on **NORMAL commercial terms** and is **NOT PREJUDICIAL to the interests of Ascott Reit and the minority Ascott Reit Unitholders**
- The Ascott Reit IFA advises the Audit Committee of the Ascott Reit Manager and the Ascott Reit Independent Directors to recommend that the independent Ascott Reit Unitholders **VOTE IN FAVOUR of the Combination** (Resolution 2)

5 Opinion of the Ascott Reit Directors

The Independent Directors have considered, *inter alia*, the opinion and advice given by the Ascott Reit IFA, and recommend that:



- Ascott Reit Unitholders **VOTE IN FAVOUR** of:
 - the Ascott Reit Acquisition (Resolution 2);
 - the Proposed Issuance of the Consideration Units (Resolution 3); and
 - the Proposed Unit Issue Price Amendment (Resolution 5)

All the Ascott Reit Directors have considered the relevant factors and recommend that:



- Ascott Reit Unitholders **VOTE IN FAVOUR** of:
 - the Proposed Ascott Reit Scheme Amendments (Resolution 1);
 - the general mandate for the issuance of new Ascott Reit-BT Stapled Units, including the Acquisition Fee (Resolution 4); and
 - the Ascott Reit Scheme Resolution

DISCLAIMER

IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE ASCOTT REIT IFA LETTER AND RECOMMENDATIONS OF THE ASCOTT REIT DIRECTORS, WHICH CAN BE FOUND IN THIS COMPOSITE DOCUMENT, IN FULL.

6 What do I Need to do in Relation to the Combination?

The EGM and the Scheme Meeting are **two different meetings** to be held on the same day. Each meeting has a separate proxy form, with different instructions and different approval thresholds. If you wish to appoint a proxy for both the EGM and the Scheme Meeting, you are required to **submit both the blue and green proxy forms**.

It is important that you read the instructions for the two meetings carefully.

Your Vote Counts



Please vote in person or by proxy

Composite Document



You Now Have
this Composite
Document

EGM: 21 October 2019 (Monday) at 10.00 a.m.

Scheme Meeting: 21 October 2019 (Monday) at 11.00 a.m.
(or as soon thereafter following the conclusion or adjournment of the EGM to be held)

Venue: Raffles City Convention Centre,
Padang/Collyer Ballroom, Level 4,
2 Stamford Road, Singapore 178882

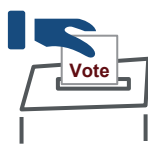


Attend the
EGM and Scheme
Meeting in Person

OR



Appoint a Proxy
to Vote at
the EGM and
Scheme Meeting



Vote at the EGM and
Scheme Meeting

7 What if I am Unable to Attend the EGM?

If you are unable to attend the EGM in person, you may appoint someone you know, or the Chairman of the EGM, to vote on your behalf by completing the blue Proxy Form (EGM).

STEP 1: LOCATE THE BLUE EGM PROXY FORM

The EGM Proxy Form is enclosed with this Composite Document. A copy may also be downloaded from the Ascott Reit website or obtained from the Ascott Reit's Unit Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.,
50 Raffles Place, #32-01 Singapore Land Tower,
Singapore 048623

STEP 2: COMPLETE THE PROXY FORM

- A** Fill in your name and particulars.
- B** You may fill in the details of the appointee(s) or leave this section blank. The Chairman of the EGM will be the appointee if this section is left blank.

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

- C** If you wish to exercise all your votes **FOR** or **AGAINST**, tick within the box provided. Alternatively, indicate the number of votes as appropriate.

No.	Resolutions	For *	Against *
1	To approve the Proposed Ascott Reit Scheme Amendments (Extraordinary Resolution)		
2	To approve the Ascott Reit Acquisition (Ordinary Resolution)		
3	To approve the Proposed Issuance of the Consideration Units (Ordinary Resolution)		
4	To approve the general mandate for the issuance of new Ascott Reit-BT Stapled Units, including the Acquisition Fee (Ordinary Resolution)		
5	To approve the Proposed Unit Issue Price Amendment (Extraordinary Resolution)		

- D** If you are an individual, you or your attorney **MUST SIGN** and indicate the date. For a corporation, the Proxy Form must be executed under its common seal or signed by a duly authorised officer or attorney. Where the Proxy Form is signed by an attorney, the power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

Dated this ____ day of _____ 2019

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

- E** Indicate the number of Ascott Reit Units you hold.

Total Number of Units Held

Ascott Residence Trust
(Incorporated in the Republic of Singapore, 2007 (as amended))

IMPORTANT:
1. A member/representative may appoint more than one proxies to attend, speak and vote at the EGM (please see Note 1 for the definition of "relevant extraordinary").
2. This Proxy Form is not valid for use by CPF/SGS Investors and shall be ineffective for all interests and purposes if used or is purported to be used by them.
3. PLEASE READ THE NOTES TO THIS PROXY FORM.
4. Unless otherwise defined herein, capitalised words shall have the same meanings ascribed to them in the Corporate documents dated 28 September 2019.
5. By submitting a proxy/ proxies appointing a proxy/ proxies (representative/s), the unitholder accepts and agrees to the general data privacy terms set out in the Notice of EGM dated 28 September 2019.

PROXY FORM
Extraordinary General Meeting

I/We, _____ (Name),
_____ (Address)
(NRIC/Passport/Company Registration Number) of _____ (Address)

being a unitholder/unitholders of Ascott Residence Trust ("Ascott Reit"), hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

or, failing whom, the Chairman of the EGM as my/our proxy/proxies to attend, speak and vote for/against on my/our behalf at the EGM to be held at Raffles City Convention Centre, Raffles-City Ballroom, Level 4, 2 Stamford Road, Singapore 178882, on **Monday, 21 October 2019 at 10.00 a.m.**, and all any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions	For *	Against *
1	To approve the Proposed Ascott Reit Scheme Amendments (Extraordinary Resolution)		
2	To approve the Ascott Reit Acquisition (Ordinary Resolution)		
3	To approve the Proposed Issuance of the Consideration Units (Ordinary Resolution)		
4	To approve the general mandate for the issuance of new Ascott Reit-BT Stapled Units, including the Acquisition Fee (Ordinary Resolution)		
5	To approve the Proposed Unit Issue Price Amendment (Extraordinary Resolution)		

* If you wish to exercise all your votes "For" or "Against", please indicate with a "1" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____ day of _____ 2019

Total Number of Units Held

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

STEP 3: RETURN THE COMPLETED PROXY FORM

Return the completed and signed Proxy Form (EGM) in the enclosed pre-addressed envelope so that it arrives at Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by **no later than Saturday, 19 October 2019 at 10:00 a.m.**. The envelope is prepaid for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.

BUSINESS REPLY SERVICE
PERMIT NO. 0668

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(as manager of Ascott Residence Trust)
c/o BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
50 RAFFLES PLACE
#32-01 SINGAPORE LAND TOWER
SINGAPORE 048623

Postage will be paid by addressee. For posting in Singapore only.

8 What if I am Unable to Attend the Scheme Meeting?

If you are unable to attend the Scheme Meeting in person, you may appoint someone you know, or the Chairman of the Scheme Meeting, to vote on your behalf by completing the green Proxy Form (Scheme Meeting).

STEP 1: LOCATE THE GREEN SCHEME MEETING PROXY FORM

The Scheme Meeting Proxy Form is enclosed with this Composite Document. A copy may also be downloaded from the Ascott Reit website or obtained from the Ascott Reit's Unit Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.,
50 Raffles Place, #32-01 Singapore Land Tower,
Singapore 048623

STEP 2: COMPLETE THE PROXY FORM

- A** Fill in your name and particulars.
- B** You may fill in the details of the appointee (**NOT MORE THAN ONE**) or leave this section blank. The Chairman of the Ascott Reit Scheme Meeting will be the appointee if this section is left blank.

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

- C** Indicate your vote by ticking in the box labelled **FOR** or **AGAINST**. **DO NOT TICK BOTH BOXES.**

RESOLUTION	For	Against
To approve the proposed Ascott Reit Scheme		

- D** If you are an individual, you or your attorney **MUST SIGN** and indicate the date. For a corporation, the Proxy Form must be executed under its common seal or signed by a duly authorised officer or attorney. Where the Proxy Form is signed by an attorney, the power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

Dated this _____ day of _____ 2019

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

- E** Indicate the number of Ascott Reit Units you hold.

Total number of Units held

A I/We _____ (Name(s)), _____ (NRIC No./Passport No./ Company Registration No., where applicable) of _____ (Address) being a unitholder/unitholders of Ascott Residence Trust ("Ascott Reit"), hereby appoint:

B

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, failing him/her, the Chairman of the Ascott Reit Scheme Meeting, as my/our proxy to attend and to vote for me/us and on my/our behalf, at the Ascott Reit Scheme Meeting to be held on **Monday, 21 October 2019 at 11.00 a.m.** (or as soon thereafter following the conclusion or adjournment of the EGM) at Raffles City Convention Centre, Padang/Colyer Ballroom, Level 4, 2 Stamford Road, Singapore 178882, and at any adjournment thereof.

"I/We direct "my/our proxy to vote for or against the Ascott Reit Scheme to be proposed at the Ascott Reit Scheme Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at "his/her discretion. If no person is named in the above boxes, the Chairman of the Ascott Reit Scheme Meeting shall be "my/our proxy to vote, for or against the Ascott Reit Scheme to be proposed at the Ascott Reit Scheme Meeting, for "me/us and on "my/our behalf at the Ascott Reit Scheme Meeting and at any adjournment thereof.

If you wish to vote "FOR" the Ascott Reit Scheme to be proposed at the Ascott Reit Scheme Meeting, please indicate with a tick (✓) in the box marked "FOR" as set out below. If you wish to vote "AGAINST" the Ascott Reit Scheme to be proposed at the Ascott Reit Scheme Meeting, please indicate with a tick (✓) in the box marked "AGAINST" as set out below.

DO NOT TICK BOTH BOXES.

RESOLUTION	For	Against
To approve the proposed Ascott Reit Scheme		

* Delete accordingly

D Dated this _____ day of _____ 2019

Total number of Units held

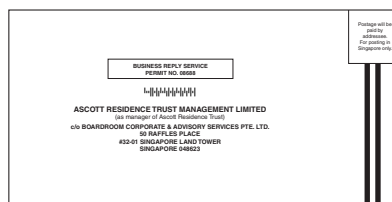
E

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

STEP 3: RETURN THE COMPLETED PROXY FORM

Return the completed and signed Proxy Form (Scheme Meeting) in the enclosed pre-addressed envelope so that it arrives at Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by **no later than Saturday, 19 October 2019 at 11:00 a.m.** The envelope is prepaid for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.



REMINDER!

Unitholders who are unable to attend **both** the EGM and the Scheme Meeting are requested to complete **both** the enclosed blue EGM Proxy Form and the green Scheme Meeting Proxy Form and lodge them with Boardroom Corporate & Advisory Services Pte. Ltd. at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, so that it arrives **no later than Saturday, 19 October 2019 at 10:00 a.m.**

9 Important Information

Indicative Timeline

19 October 2019 (Sat)

Last date for lodgement of Proxy Forms

- EGM: 10:00 a.m.
- Scheme Meeting: 11:00 a.m.

21 October 2019 (Mon)

EGM and Scheme Meeting

- EGM: 10:00 a.m.
- Scheme Meeting: 11:00 a.m. or as soon thereafter following the conclusion or adjournment of the EGM to be held

If the approvals for the Resolutions are obtained at the EGM and Scheme Meeting:

11 November 2019 (Mon)

Expected date of Court hearing of the application to sanction the Ascott Reit Scheme

18 December 2019 (Wed)

Expected A-HTRUST Scheme Entitlement Date

30 December 2019 (Mon)

Expected Ascott Reit Scheme Entitlement Date

31 December 2019 (Tue)

Expected A-HTRUST Scheme Implementation Date and Ascott Reit Scheme Implementation Date

2 January 2020 (Thu)

Expected date for commencement of trading of Ascott Reit-BT Stapled Units (on a stapled basis) and Consideration Units

DISCLAIMER: The timeline for the events which are scheduled to take place after the EGM and Scheme Meeting is indicative only. The detailed indicative timetable is set out in this Composite Document.

Checking Your Unitholding Balance

- You can check your Ascott Reit unitholding balance with CDP by contacting them at:

The Central Depository (Pte) Limited

11 North Buona Vista Drive
#01-19/20 The Metropolis Tower 2
Singapore 138589
Tel: +65 6535 7511
Email: asksgx@sgx.com

- If you own units through a bank, broker or any other intermediaries, you can check your unitholding by contacting them directly
- If you are a CPF Investor or SRS Investor, please consult your CPF Agent Bank or SRS Agent Bank (namely DBS Bank Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited) for further information

Contact Information

Ascott Residence Trust Management Limited

(Ms) Kang Wei Ling, Investor Relations
Telephone: +65 6713 3317
Email: kang.weiling@the-ascott.com

(Ms) Denise Wong, Investor Relations
Telephone: +65 6713 2151
Email: denise.wong@the-ascott.com

Citigroup Global Markets Singapore Pte. Ltd.

Sole Financial Adviser in relation to the Combination
Telephone: +65 6657 1955

(During office hours only from 9.00 a.m. to 6.00 p.m., Monday to Friday)

TABLE OF CONTENTS

	Page
CORPORATE INFORMATION	iii
IMPORTANT NOTICE	1
INDICATIVE TIMETABLE	3
LETTER TO ASCOTT REIT UNITHOLDERS	
1. Introduction	4
2. Summary of Approvals Sought	10
3. Rationale for the Combination	13
4. The Proposed Acquisition of A-HTRUST Stapled Units	19
5. Financial Effects of the Combination	28
6. Material Transaction	31
7. Interested Person Transaction	32
8. Proposed Issuance of the Consideration Units	33
9. The Stapling of Ascott Reit and Ascott BT	34
10. Next Steps Following the Completion of the Combination	47
11. General Mandate for the Issuance of New Ascott Reit-BT Stapled Units	48
12. Proposed Unit Issue Price Amendment	50
13. Irrevocable Undertakings and Ascott Reit Directors' Intention to Vote	52
14. Ascott Reit Auditors Opinion	53
15. Advice of the Independent Financial Adviser	54
16. Statement of the Audit Committee	54
17. Recommendations	55
18. Interests of Ascott Reit Concert Party Group and Substantial Ascott Reit Unitholders	55
19. Directors' Service Contracts	55
20. Abstentions from Voting	56
21. Actions to be Taken by Ascott Reit Unitholders	56
22. Information relating to SRS and CPF Investors	57

23. Tax	58
24. Directors' Responsibility Statement	59
25. Responsibility Statement of the Financial Adviser	59
26. Consents	59
27. Documents Available for Inspection	60
GLOSSARY	61
APPENDICES	
Appendix A Independent Financial Adviser's Letter	A-1
Appendix B Certain Interests	B-1
Appendix C Information on the Combined Entity	C-1
Appendix D The A-HTRUST Scheme	D-1
Part 1: Scheme Conditions	D-1
Part 2: Ascott Reit Warranties and A-HTRUST Warranties	D-11
Part 3: Ascott Reit Prescribed Occurrences and A-HTRUST Prescribed Occurrences	D-12
Part 4: Break Fee and Reverse Break Fee	D-13
Appendix E Proposed Ascott Reit Scheme Amendments	E-1
Appendix F The Ascott Reit Scheme	F-1
Appendix G Manner of Convening the Ascott Reit Scheme Meeting	G-1
Appendix H Ascott Reit Auditors Opinion	H-1
Appendix I Proposed Unit Issue Price Amendment	I-1
Appendix J Financial Results of Ascott Reit	J-1
Appendix K Overview and Market Outlook of the A-HTRUST Properties	K-1
Appendix L Taxation	L-1
Appendix M Notice of Extraordinary General Meeting	M-1
Appendix N Notice of Ascott Reit Scheme Meeting	N-1
PROXY FORM (EGM)	
PROXY FORM (ASCOTT REIT SCHEME MEETING)	

CORPORATE INFORMATION

Board of Directors of the Ascott Reit Manager	:	Mr. Tan Beng Hai, Bob (Chairman and Non-Executive Independent Director) Ms. Beh Siew Kim (Chief Executive Officer and Executive Non-Independent Director) Mr. Zulkifli Bin Baharudin (Non-Executive Independent Director) Mr. Sim Juat Quee Michael Gabriel (Non-Executive Independent Director) Ms. Elaine Carole Young (Non-Executive Independent Director) Mr. Lee Chee Koon (Non-Executive Non-Independent Director) Mr. Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director)
Registered Office of the Ascott Reit Manager	:	168 Robinson Road #30-01 Capital Tower Singapore 068912
Trustee of Ascott Reit (the “Ascott Reit Trustee”)	:	DBS Trustee Limited (in its capacity as trustee of Ascott Reit) 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Sole Financial Adviser to Ascott Reit in respect of the Combination (the “Financial Adviser”)	:	Citigroup Global Markets Singapore Pte. Ltd. 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960
Independent Financial Adviser to the Audit Committee (as defined herein) and the Independent Directors (as defined herein) of the Ascott Reit Manager and to the Ascott Reit Trustee (the “Ascott Reit IFA”)	:	Australia and New Zealand Banking Group Limited, Singapore Branch 10 Collyer Quay #30-00 Ocean Financial Centre Singapore 049315
Legal Adviser to the Ascott Reit Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Ascott Reit Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542

Legal Adviser to the Financial Adviser : Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

Unit Registrar to Ascott Reit (the “Unit Registrar”) and Unit Transfer Office : Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Independent Auditor (the “Ascott Reit Auditors”) : KPMG LLP
16 Raffles Quay
Hong Leong Building #22-00
Singapore 048581

IMPORTANT NOTICE

The value of Ascott Reit Units and the income derived from them may fall as well as rise. Ascott Reit Units are not obligations of, deposits in, or guaranteed by, the Ascott Reit Manager or any of its affiliates. An investment in Ascott Reit Units is subject to investment risks, including the possible loss of the principal amount invested. None of the Ascott Reit Manager or any of its affiliates guarantees the performance of Ascott Reit, the repayment of capital from Ascott Reit, or any particular rate of return on the Ascott Reit Units.

Investors have no right to request the Ascott Reit Manager to redeem their Ascott Reit Units while the Ascott Reit Units are listed. It is intended that Ascott Reit Unitholders may only deal in their Ascott Reit Units through trading on the SGX-ST. Listing of the Ascott Reit Units on the SGX-ST does not guarantee a liquid market for the Ascott Reit Units. The past performance of Ascott Reit is not necessarily indicative of the future performance of Ascott Reit.

Forward-Looking Statements

All statements contained in this Composite Document, statements made in public announcements, press releases and oral statements that may be made by Ascott Reit or the directors of the Ascott Reit Manager (the “**Ascott Reit Directors**”), its officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, “anticipate”, “aim”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “predict”, “probable”, “project”, “seek” “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements.

All statements regarding the future financial position, operating results, business strategies, plans and future prospects of Ascott Reit and its subsidiaries (collectively, the “**Ascott Reit Group**” and each entity in the Ascott Reit Group, an “**Ascott Reit Group Entity**”) are forward-looking statements. The Ascott Reit Manager, the Ascott Reit Trustee and the Financial Adviser do not represent or warrant that the actual future performance, outcomes or results of Ascott Reit will be as discussed in those statements.

These forward-looking statements, including but not limited to statements as to the Ascott Reit Group’s revenue and profitability, prospects, future plans and other matters discussed in this Composite Document regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Ascott Reit Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in property expenses and operating expenses and governmental and public policy changes. These risks, uncertainties and other factors are discussed in more detail in this Composite Document.

Given the risks, uncertainties and other factors that may cause Ascott Reit’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Composite Document, statements made in public announcements, press releases and oral statements that may be made by Ascott Reit or the Ascott Reit Directors, you are cautioned not to place undue reliance on these forward-looking statements, which are based on the Ascott Reit Manager’s current view of future events.

None of the Ascott Reit Manager, the Ascott Reit Trustee, their respective advisers or any other person represents or warrants to you that the actual future results, performance or achievements will be discussed in those statements. The actual results may differ materially from those anticipated in these forward-looking statements. These forward-looking statements speak only as at the Latest Practicable Date (as defined herein).

The Ascott Reit Manager, the Ascott Reit Trustee, the Financial Adviser and their respective advisers disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency.

If you have sold or transferred all your Ascott Reit Units, you should immediately forward this Composite Document, together with the Notice of Extraordinary General Meeting, the Notice of Ascott Reit Scheme Meeting and the accompanying Proxy Forms, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Composite Document is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Consideration Units (as defined herein) have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Consideration Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of Ascott Reit in the United States would be made by means of a prospectus that would contain detailed information about Ascott Reit and the Ascott Reit Manager, as well as the relevant financial statements. The Ascott Reit Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM and the Ascott Reit Scheme Meeting (each as defined herein) is indicative only and is subject to change at the Ascott Reit Manager's absolute discretion as well as pursuant to applicable regulatory requirements. 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 lodgement of Proxy Form (EGM)	: 19 October 2019 at 10.00 a.m.
Date and time of the Extraordinary General Meeting at Raffles City Convention Centre, Padang/Collyer Ballroom, Level 4, 2 Stamford Road, Singapore 178882	: 21 October 2019 at 10.00 a.m.
Last date and time for lodgement of Proxy Form (Ascott Reit Scheme Meeting)	: 19 October 2019 at 11.00 a.m.
Date and time of the Ascott Reit Scheme Meeting at Raffles City Convention Centre, Padang/Collyer Ballroom, Level 4, 2 Stamford Road, Singapore 178882	: 21 October 2019 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the EGM to be held)
Date and time of the A-HTRUST Scheme Meeting (as defined herein)	: 21 October 2019 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the A-HTRUST EGM (as defined herein) to be held)
Expected date of Court hearing of the application to sanction the Ascott Reit Scheme	: 11 November 2019
Expected date of Court hearing of the application to sanction the A-HTRUST Scheme	: 11 November 2019
Expected last day of trading of the A-HTRUST Stapled Units (as defined herein) on the SGX-ST	: 16 December 2019
Expected A-HTRUST Scheme Entitlement Date (as defined herein)	: 18 December 2019 at 5.00 p.m.
Expected Effective Date (as defined herein)	: 19 December 2019
Expected Ascott Reit Scheme Entitlement Date (as defined herein)	: 30 December 2019 at 5.00 p.m.
Expected Ascott Reit Scheme Implementation Date and A-HTRUST Scheme Implementation Date (as defined herein)	: 31 December 2019
Expected date for commencement of trading of Ascott Reit-BT Stapled Units (as defined herein) (on a stapled basis) and the Consideration Units on the SGX-ST	: 2 January 2020
Expected date for the delisting of the A-HTRUST Stapled Units	: 3 January 2020

LETTER TO ASCOTT REIT UNITHOLDERS

ASCOTT RESIDENCE TRUST

(a unit trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

Directors of the Ascott Reit Manager

Mr. Tan Beng Hai, Bob (Chairman and Non-Executive Independent Director)
Ms. Beh Siew Kim (Chief Executive Officer and Executive Non-Independent Director)
Mr. Zulkifli Bin Baharudin (Non-Executive Independent Director)
Mr. Sim Juat Quee Michael Gabriel (Non-Executive Independent Director)
Ms. Elaine Carole Young (Non-Executive Independent Director)
Mr. Lee Chee Koon (Non-Executive Non-Independent Director)
Mr. Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director)

Registered Office

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

26 September 2019

To: The Unitholders of Ascott Residence Trust

Dear Sir/Madam

1. INTRODUCTION

1.1 Overview of the Combination

On 3 July 2019, the respective boards of directors of Ascott Residence Trust Management Limited, as manager of Ascott Residence Trust ("**Ascott Reit**", and the manager of Ascott Reit, the "**Ascott Reit Manager**"), Ascendas Hospitality Fund Management Pte. Ltd., as manager of Ascendas Hospitality Real Estate Investment Trust ("**A-HTRUST REIT**", and the manager of A-HTRUST REIT, the "**A-HTRUST REIT Manager**") and Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust ("**A-HTRUST BT**", and the trustee-manager of A-HTRUST BT, the "**A-HTRUST BT Trustee-Manager**" and the A-HTRUST BT Trustee-Manager together with the A-HTRUST REIT Manager, the "**A-HTRUST Managers**") jointly announced the proposed combination of Ascott Reit and Ascendas Hospitality Trust ("**A-HTRUST**") (the "**Combination**").

The Combination is to be effected through the acquisition by Ascott Reit (the "**Ascott Reit Acquisition**") of all the issued and paid-up stapled units in A-HTRUST ("**A-HTRUST Stapled Units**") by way of a trust scheme of arrangement (the "**A-HTRUST Scheme**") for a consideration of S\$1.0868 for each A-HTRUST Stapled Unit (the "**A-HTRUST Scheme Consideration**"). The A-HTRUST Scheme Consideration comprises S\$0.0543 in cash and 0.7942 units (the "**Ascott Reit-BT Stapled Units**") in a stapled Ascott Reit and Ascott Business Trust (the "**Ascott BT**") issued at a price of S\$1.30 each¹. The A-HTRUST Scheme Consideration is based on a gross exchange ratio of 0.836x, which was derived from the audited net asset value for each A-HTRUST Stapled Unit as at 31 March 2019 of S\$1.02 divided by the audited net asset value for each Ascott Reit Unit as at 31 December 2018 of S\$1.22.

By way of illustration, if the Combination becomes effective in accordance with its terms, a holder of A-HTRUST Stapled Units ("**A-HTRUST Stapled Unitholder**") will receive S\$54.30 in cash and 794 Ascott Reit-BT Stapled Units for every 1,000 A-HTRUST Stapled Units held

¹ The issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit was determined by reference to the five-business day volume weighted average price of the Ascott Reit Units on 28 June 2019.

by him/her as at the books closure date to determine the entitlements of the A-HTRUST Stapled Unitholders in respect of the A-HTRUST Scheme (the “**A-HTRUST Scheme Entitlement Date**”)².

1.2 Information on Ascott Reit and the Ascott Reit Manager

1.2.1 Ascott Reit

Ascott Reit is Singapore’s first and largest hospitality real estate investment trust with an asset size of S\$5.5 billion as at 30 June 2019. It has been listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since March 2006.

Ascott Reit was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used as serviced residences, rental housing properties and other hospitality assets.

As at 3 July 2019, the date of the Joint Announcement (the “**Joint Announcement Date**”), Ascott Reit’s international portfolio comprised 74 properties with over 11,700 units in 37 cities across 14 countries in Asia Pacific, Europe and the United States of America³.

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

Ascott Reit Group	Information (S\$ million)
Net asset value ⁽¹⁾ (“ NAV ”)	2,644.1
Net tangible asset value (“ NTA ”)	
Net profits before tax	195.4
Total assets	5,309.1
Aggregate valuation of portfolio ⁽²⁾	4,942.9

Notes:

- (1) For the purposes of this Letter to Ascott Reit Unitholders and this Composite Document, all references to “**NAV**” or “**NTA**” of the Ascott Reit Group excludes funds represented by perpetual securities and non-controlling interests.
- (2) The valuations were carried out by Colliers International as at 31 December 2018 based on a discounted cash flow approach, which is in line with market practice.

2 For further details on the A-HTRUST Scheme Consideration, including as to the rounding of the aggregate Cash Consideration to be paid and number of Consideration Units to be issued to each A-HTRUST Stapled Unitholder, please refer to **paragraph 4.10** of this Letter to Ascott Reit Unitholders.

3 These figures include the development of lyf one-north Singapore.

On 30 July 2019, Ascott Reit announced its financial results for the six-month period ended 30 June 2019 (the “**Ascott Reit 1H 2019 Financial Statements**”), which was reported on by KPMG LLP (the “**Ascott Reit Auditors**”) and Australia and New Zealand Banking Group Limited, Singapore Branch (the “**Ascott Reit IFA**”) in accordance with Rule 25.6 of The Singapore Code on Take-overs and Mergers (the “**Code**”). Such results, together with such reports, are set out in **Appendix J** to this Composite Document. Concurrent with the release of such results, on 30 July 2019, Ascott Reit announced that it had obtained half-yearly desktop valuations for its properties, which valuation is available on the SGXNET.

1.2.2 Ascott Reit Manager and Ascott BT Trustee-Manager

Ascott Reit is managed by the Ascott Reit Manager. The Ascott Reit Manager holds a Capital Market Services Licence for Real Estate Investment Trust (“**REIT**”) Management (“**CMS Licence**”) pursuant to the Securities and Futures Act (Cap. 289 of Singapore) (“**SFA**”).

On 9 September 2019, Ascott Reit established a wholly-owned business trust, the Ascott BT. The trustee of Ascott BT is Ascott Business Trust Management Pte. Ltd. (the “**Ascott BT Trustee-Manager**” and, together with the Ascott Reit Manager, the “**Ascott Reit-BT Managers**”). After the registration of Ascott BT as a registered business trust under the Business Trusts Act (Cap. 31A of Singapore) (“**BTA**”), the trustee-manager of Ascott BT will be the Ascott BT Trustee-Manager.

Each Ascott Reit-BT Manager is a wholly-owned subsidiary of CapitaLand Limited (“**CapitaLand**”).

As at 12 September 2019, being the latest practicable date prior to the printing of this Composite Document (the “**Latest Practicable Date**”):

- (i) the board of directors of the Ascott Reit Manager comprises the following persons: Mr. Tan Beng Hai, Bob, Ms. Beh Siew Kim, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel, Ms. Elaine Carole Young, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey; and
- (ii) the board of directors of the Ascott BT Trustee-Manager comprises Ms. Beh Siew Kim. On or prior to the registration of Ascott BT as a registered business trust under the BTA, the following persons shall be appointed on the board of directors of the Ascott BT Trustee-Manager, such that the boards of the Ascott Reit-BT Managers comprise the same persons: Mr. Tan Beng Hai, Bob, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel, Ms. Elaine Carole Young, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey.

For the rationale for establishing the Ascott BT, please refer to **paragraph 9.1** of this Letter to Ascott Reit Unitholders.

1.3 Information on A-HTRUST, A-HTRUST REIT Manager and A-HTRUST BT Trustee-Manager

1.3.1 A-HTRUST

A-HTRUST is a stapled group comprising A-HTRUST REIT and A-HTRUST BT, established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes, as well as real estate-related assets in connection with the foregoing.

A-HTRUST was listed on the SGX-ST on 27 July 2012. Each unit in A-HTRUST REIT (“**A-HTRUST REIT Unit**”) is stapled to one unit in A-HTRUST BT (“**A-HTRUST BT Unit**”) under the terms of a stapling deed dated 13 March 2012 (as amended) (the “**A-HTRUST Stapling Deed**”).

As at the Joint Announcement Date, A-HTRUST’s portfolio comprised 14 properties (“**A-HTRUST Properties**”) with over 4,700 rooms in seven cities across four countries in the Asia Pacific region. A summary of the A-HTRUST Properties is set out in **Appendix K** to this Composite Document.

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

A-HTRUST Group	Information (S\$ million)
NAV	1,153.6
NTA	
Net profits before tax	98.6
Total assets	1,938.4
Aggregate valuation of portfolio ⁽¹⁾	1,822.5

Notes:

(1) The valuations were carried out by, in respect of:

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

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

In addition, at the annual general meeting of A-HTRUST on 10 July 2019, the A-HTRUST Stapled Unitholders approved the amendment to the A-HTRUST REIT Trust Deed dated 13 March 2012 (as amended) (the “**A-HTRUST REIT Trust Deed**”) and the A-HTRUST BT Trust Deed dated 13 March 2012 (as amended) (the “**A-HTRUST BT Trust Deed**”) and, together with the A-HTRUST REIT Trust Deed, the “**A-HTRUST Trust Deeds**”) to reflect the change to the financial year end of A-HTRUST REIT and A-HTRUST BT, respectively, from 31 March to 31 December. Accordingly, the current financial year of A-HTRUST will be a nine-month period from 1 April 2019 to 31 December 2019 and thereafter, the financial year of A-HTRUST REIT and A-HTRUST BT will be a 12-month period ending 31 December of each such year.

On 1 August 2019, A-HTRUST announced its financial results for the financial quarter ended 30 June 2019, which was reported on by Ernst & Young LLP and Deloitte & Touche Corporate Finance Pte Ltd (the latter being the “**A-HTRUST IFA**”) in accordance with Rule 25.6 of the Code. Such results, together with such reports, are set out in the document dated 26 September 2019 issued by the A-HTRUST Managers to the A-HTRUST Stapled Unitholders in relation to the Combination and the A-HTRUST Scheme (the “**A-HTRUST Scheme Document**”).

The Ascott Reit Manager has also commissioned Jones Lang LaSalle Property Consultants Pte Ltd/Jones Lang LaSalle Hotels & Hospitality Group to produce a report on the market outlook of the A-HTRUST Properties. Please refer to **Appendix K** to this Composite Document for further details.

1.3.2 A-HTRUST REIT Manager and A-HTRUST BT Trustee-Manager

A-HTRUST REIT is managed by the A-HTRUST REIT Manager and A-HTRUST BT is managed by the A-HTRUST BT Trustee-Manager. Each A-HTRUST Manager is a wholly-owned subsidiary of CapitaLand. The A-HTRUST REIT Manager holds a CMS Licence for REIT Management pursuant to the SFA.

As at the Latest Practicable Date, the board of directors of each of the A-HTRUST Managers comprises the following ("**A-HTRUST Directors**"):

- (i) Mr. Miguel Ko (Chairman and Non-Executive Director);
- (ii) Mr. Chia Kim Huat (Independent Director);
- (iii) Mr. Manohar Khiatani (Non-Executive Director);
- (iv) Mr. Tan Juay Hiang (Chief Executive Officer);
- (v) Mr. Robert Hecker (Independent Director);
- (vi) Mr. Michael Issenberg (Non-Executive Director);
- (vii) Ms. Deborah Lee Siew Yin (Independent Director);
- (viii) Mr. Patrick Lee Fook Yau (Independent Director); and
- (ix) Mr. Willy Shee Ping Yah (Independent Director).

1.4 Information on the Combined Entity

The stapled Ascott Reit and Ascott BT (the "**Combined Entity**") will be named "**Ascott Residence Trust**" and Ascott Reit will be renamed "**Ascott Real Estate Investment Trust**". As noted in **paragraph 1.1** of this Letter to Ascott Reit Unitholders, Ascott BT is named "**Ascott Business Trust**"⁴.

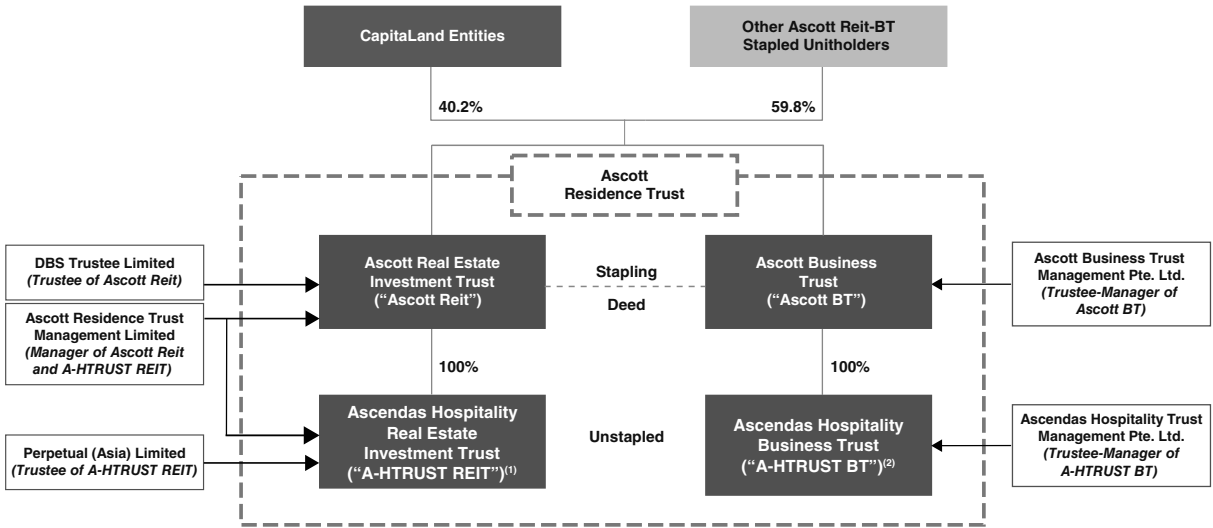
For further information on the stapling of Ascott Reit and Ascott BT, please refer to **paragraph 9** of this Letter to Ascott Reit Unitholders. Details on the Combined Entity following the completion of the Combination can be found in **paragraph 10** of this Letter to Ascott Reit Unitholders and **Appendix C, Part 2** of this Composite Document.

⁴ For further details on transactions involving the stock codes and ISIN codes of the Ascott Reit Units and the Ascott Reit-BT Stapled Units, please refer to **paragraph 9.1** of this Letter to Ascott Reit Unitholders.

The unitholding percentages of CapitaLand and certain of its wholly-owned subsidiaries (“**CapitaLand Entities**”) in each of Ascott Reit and A-HTRUST and (immediately upon completion of the Combination, on the bases and assumptions set out in this Composite Document) the Combined Entity as at the Joint Announcement Date are set out as follows:

CapitaLand Entities	Ascott Reit (%)⁵	A-HTRUST (%)⁶	Combined Entity (%)⁷
The Ascott Limited (“ TAL ”)	21.9	–	15.4
Somerset Capital Pte Ltd (“ SCPL ”)	14.4	–	10.2
Ascott Reit Manager	8.6	–	6.4
Ascendas Land International Pte. Ltd. (“ ALI ”)	–	28.0	8.2
Total	45.0	28.0	40.2

The structure of the Combined Entity, the Ascott Reit Trustee, the Ascott Reit Manager and the Ascott BT Trustee-Manager is set out as follows:



Notes:

- (1) A-HTRUST REIT will cease to exist as a real estate investment trust under the SFA and an authorised collective investment scheme.
- (2) A-HTRUST BT will cease to be a registered business trust under the BTA.

5 Calculated based on a total of approximately 2,174.8 million Ascott Reit Units as at the Joint Announcement Date.
 6 Calculated based on a total of approximately 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.
 7 Calculated based on an aggregate of approximately 3,086.3 million Ascott Reit-BT Stapled Units, based on 902.8 million Consideration Units to be issued (which, in turn, is based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date). This figure does not take into consideration any fees that may be payable in units to the Ascott Reit Manager or the A-HTRUST Managers prior to the Effective Date.

For the avoidance of doubt, pursuant to the Ascott Reit Scheme to be effected in accordance with the Ascott Reit Trust Deed, all the Ascott BT Units will be distributed *in specie* to the unitholders of Ascott Reit (the “**Ascott Reit Unitholders**”) as at the books closure date to determine the entitlements of the Ascott Reit Unitholders in respect of the Ascott Reit Scheme (the “**Ascott Reit Scheme Entitlement Date**”) and each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with a stapling deed in relation to Ascott Reit and Ascott BT (the “**Ascott Reit-BT Stapling Deed**”).

Accordingly, each Ascott Reit Unitholder as at the Ascott Reit Scheme Entitlement Date will receive such number of Ascott BT Units as is equivalent to the number of Ascott Reit Units that he/she holds as at the Ascott Reit Scheme Entitlement Date, on the basis that each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit.

Further, the Ascott Reit-BT Stapled Units (with a new stock code and ISIN code) will be listed and traded on the SGX-ST, in lieu of the Ascott Reit Units (with stock code “A68U” and ISIN code “SG1T08929278” (the “Ascott Reit ISIN Code”)) – the Ascott Reit Units (with stock code “A68U” and the Ascott Reit ISIN Code) will no longer be listed and traded on the SGX-ST on a standalone, unstapled basis.

2. SUMMARY OF APPROVALS SOUGHT

The Ascott Reit Manager is seeking the approval of the Ascott Reit Unitholders for the following matters:

No.	Approval Sought	Approval Threshold	Abstentions
EGM			
(i)	The approval to amend the trust deed dated 19 January 2006 constituting Ascott Reit (as amended) (the “ Ascott Reit Trust Deed ”) to include, among other things, provisions to facilitate the implementation of the Ascott Reit Scheme (the “ Proposed Ascott Reit Scheme Amendments ”) at the extraordinary general meeting of Ascott Reit Unitholders (the “ EGM ”) (“ Resolution 1 ”)	Extraordinary Resolution ⁸	Nil.
(ii)	Subject to Resolution 1 and the Ascott Reit Scheme Resolution (as defined below) having been approved, the approval for the Ascott Reit Acquisition at the EGM (“ Resolution 2 ”)	Ordinary Resolution ⁹	TAL, SCPL and the Ascott Reit Manager

8 “**Extraordinary Resolution**” means a resolution proposed and passed as such by a majority consisting of 75 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Ascott Reit Unitholders.

9 “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50 per cent. of the total number of votes cast for and against such resolution at a meeting of Ascott Reit Unitholders.

No.	Approval Sought	Approval Threshold	Abstentions
EGM			
(iii)	Subject to Resolutions 1 and 2 and the Ascott Reit Scheme Resolution having been approved, the approval for the proposed allotment and issuance of new Ascott Reit-BT Stapled Units to A-HTRUST Stapled Unitholders as part of the consideration for the Ascott Reit Acquisition, as more particularly described in the Notice of Extraordinary General Meeting set out in Appendix M to this Composite Document (the “ Proposed Issuance of the Consideration Units ”) at the EGM (“ Resolution 3 ”)	Ordinary Resolution	TAL, SCPL and the Ascott Reit Manager
(iv)	Subject to Resolutions 1, 2 and 3 and the Ascott Reit Scheme Resolution having been approved, the approval for the general mandate for the issuance of new Ascott Reit-BT Stapled Units, including the Acquisition Fee, at the EGM (“ Resolution 4 ”)	Ordinary Resolution	Nil.
(v)	The approval for the proposed amendments to the Ascott Reit Trust Deed in relation to the reference period for the determination of the price at which to issue units as payment of fees, as set out in Appendix I to this Composite Document (the “ Proposed Unit Issue Price Amendment ”) at the EGM (“ Resolution 5 ”)	Extraordinary Resolution	TAL, SCPL and the Ascott Reit Manager
Ascott Reit Scheme Meeting			
(vi)	Subject to Resolution 1 having been approved, the approval for all the units in Ascott BT (“ Ascott BT Units ”) to be distributed <i>in specie</i> to the Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date and for the stapling of each Ascott BT Unit to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit at the court sanctioned scheme meeting of Ascott Reit Unitholders (the “ Ascott Reit Scheme Meeting ”) (the “ Ascott Reit Scheme Resolution ”) ¹⁰	Not less than a majority in number of the Ascott Reit Unitholders representing at least three-fourths in value of the Ascott Reit Units held by the Ascott Reit Unitholders present and voting either in person or by proxy at the Ascott Reit Scheme Meeting	Nil.

¹⁰ The Ascott Reit Scheme is also subject to, amongst other things, the order of the Court sanctioning the Ascott Reit Scheme under Order 80 of the Rules of Court (the “**Ascott Reit Scheme Court Order**”) being obtained.

Ascott Reit Unitholders should note that the following resolutions are contingent upon the following other resolutions being passed, and will lapse if the following matters do not take place:

Resolution	Contingent upon the following resolutions being passed
Resolution 1	Nil (in the event the A-HTRUST Scheme does not come into effect in accordance with its terms for any reason whatsoever, Resolution 1 will lapse and the Ascott Reit Scheme will not come into effect).
Resolution 2	<ul style="list-style-type: none"> • Resolution 1; and • Ascott Reit Scheme Resolution.
Resolution 3	<ul style="list-style-type: none"> • Resolutions 1 and 2; and • Ascott Reit Scheme Resolution.
Resolution 4	<ul style="list-style-type: none"> • Resolutions 1, 2 and 3; and • Ascott Reit Scheme Resolution.
Resolution 5	Nil.
Ascott Reit Scheme Resolution	Resolution 1.

In the event that Resolution 1 is not passed at the EGM, the Ascott Reit Manager will not proceed with the Ascott Reit Scheme Meeting or seek the approval for the Ascott Reit Scheme Resolution. This means that the Ascott Reit Scheme cannot be implemented by the Ascott Reit Manager unless Resolution 1 is passed at the EGM.

For the avoidance of doubt, Resolution 5 is not contingent on any other resolutions contemplated above being passed at the EGM, the Ascott Reit Scheme Meeting or the court sanctioned scheme meeting of A-HTRUST Stapled Unitholders to effect the A-HTRUST Scheme (the “A-HTRUST Scheme Meeting”).

In the interests of practical convenience, the EGM has been scheduled to take place before the Ascott Reit Scheme Meeting – in other words, approval will be sought for Resolutions 1, 2, 3, 4 and 5 before approval is sought for the Ascott Reit Scheme Resolution. This arrangement is notwithstanding that Resolutions 2, 3 and 4 are contingent upon the Ascott Reit Scheme Resolution being passed, and is notwithstanding that at the time approval is sought for Resolutions 2, 3 and 4, approval for the Ascott Reit Scheme Resolution would yet to have been sought.

For the avoidance of doubt, Resolutions 1, 2 and 3 and the Ascott Reit Scheme Resolution are each Conditions to the Combination – accordingly, if any of these resolutions are not approved by the Ascott Reit Unitholders, the Combination will not be completed.

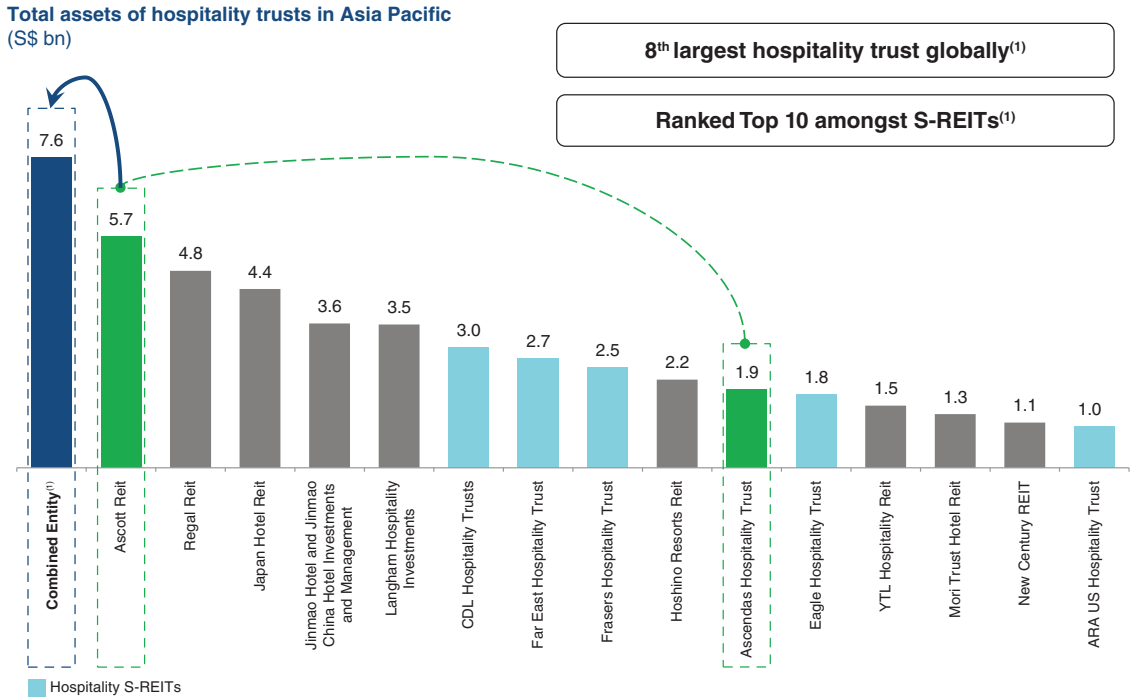
3. RATIONALE FOR THE COMBINATION

The rationale for the Combination is set out below.

This **paragraph 3** of this Letter to Ascott Reit Unitholders has been extracted from the Joint Announcement and the information set out herein has not, accordingly, been updated to the Latest Practicable Date.

3.1 Proxy Hospitality Trust in Asia Pacific

The Combination will consolidate Ascott Reit’s position as the largest hospitality trust in Asia Pacific, with total assets of the Ascott Reit Group increasing from S\$5.7 billion to approximately S\$7.6 billion.



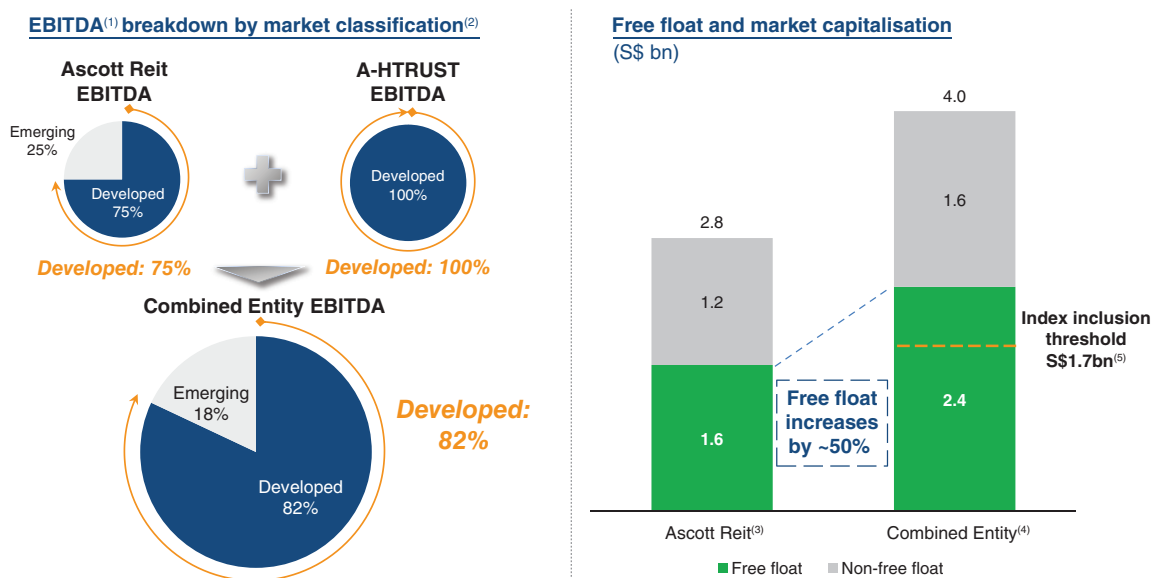
Sources: Bloomberg as at 28 June 2019, reflecting only pure-play hospitality trusts with total assets of at least S\$1.0 billion. Assuming an exchange rate of S\$1 = US\$0.739 = HK\$5.771 = RMB5.077 = JPY79.61 = RM3.054 = A\$1.055 as at 28 June 2019.

Note:

(1) Based on the combined total assets of the Ascott Reit Group and the A-HTRUST Group as at 31 March 2019.

The Combined Entity’s free float will increase by approximately 50% from S\$1.6 billion to S\$2.4 billion. The earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) contribution from developed countries is expected to increase to 82% on a *pro forma* basis for the Ascott Reit Group for FY2018. This will facilitate the inclusion of Ascott Reit into the FTSE EPRA Nareit Developed Index and result in higher trading liquidity and a larger investor base for Ascott Reit.

After the Combination, the Combined Entity could potentially enjoy a positive re-rating of its unit price and gain a wider investor base, which would be beneficial to the Ascott Reit Unitholders.



Sources: Bloomberg, Company Filings and FTSE Russell. Market data as at 28 June 2019. Assuming an exchange rate of S\$1 = US\$0.739 as at 28 June 2019.

Notes:

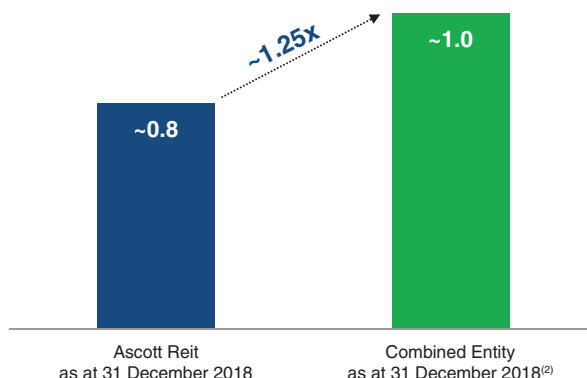
- (1) Based on the Ascott Reit Group's and the A-HTRUST Group's audited consolidated financial statements for the financial years ended 31 December 2018 and 31 March 2019, respectively ("**Ascott Reit FY2018 Financial Statements**" and "**A-HTRUST FY2018/2019 Financial Statements**", respectively).
- (2) Developed markets based on FTSE EPRA Nareit classification include Australia, Belgium, France, Germany, Japan, Korea, Singapore, Spain, The United Kingdom and The United States of America; emerging markets include China, Indonesia, Malaysia, The Philippines and Vietnam.
- (3) Based on 2,174.8 million Ascott Reit Units at S\$1.30 for each Ascott Reit Unit and a free float of 1,197.0 million Ascott Reit Units.
- (4) Based on 3,086.3 million Ascott Reit-BT Stapled Units (including Consideration Units), at S\$1.30 for each Ascott Reit-BT Stapled Unit and a free float of approximately 1,846.6 million Ascott Reit-BT Stapled Units.
- (5) Based on the threshold of US\$1.3 billion in June 2019.

The Combination will strengthen Ascott Reit's financial position, giving it greater ability to drive growth. The Combined Entity will have a *pro forma* gearing of 36.9% representing a debt headroom of approximately S\$1.0 billion as compared to the Ascott Reit Group's existing debt headroom of approximately S\$800 million. With the larger debt headroom and enlarged scale, the Combined Entity will enjoy greater financial flexibility to fund investments and will be well-placed to capture potential opportunities globally. In addition, the enlarged asset base will increase the capacity of the Combined Entity to undertake more development or conversion projects.

-  Greater access to **growth opportunities**
-  Increased capacity to undertake more **development/ conversion projects**
-  Higher debt headroom, enhancing **financial flexibility** to fund future growth

Debt headroom⁽¹⁾
(S\$ bn)

Pro forma aggregate leverage of **36.9%** represents an available debt headroom of **~S\$1.0 billion**

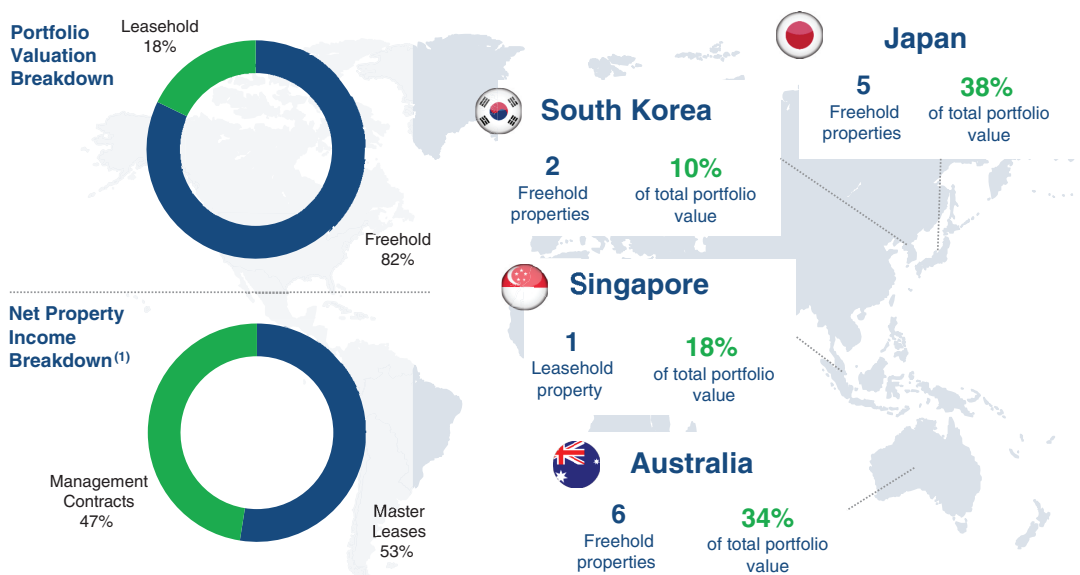


Notes:

- (1) Based on an aggregate leverage limit of 45% under Appendix 6 to the Code on Collective Investment Schemes (the “**Property Funds Appendix**”).
- (2) Based on the financial position of the Ascott Reit Group and the A-HTRUST Group as at 31 December 2018 and 31 March 2019, respectively, and assumes that additional S\$85.1 million debt was drawn down on 1 January 2018 to fund the cash component of the Estimated Total Transaction Costs.

3.2 Enhanced Portfolio

The Combination adds 14 quality properties to the Ascott Reit Group’s portfolio. The properties are predominantly freehold and in developed markets within Asia Pacific.

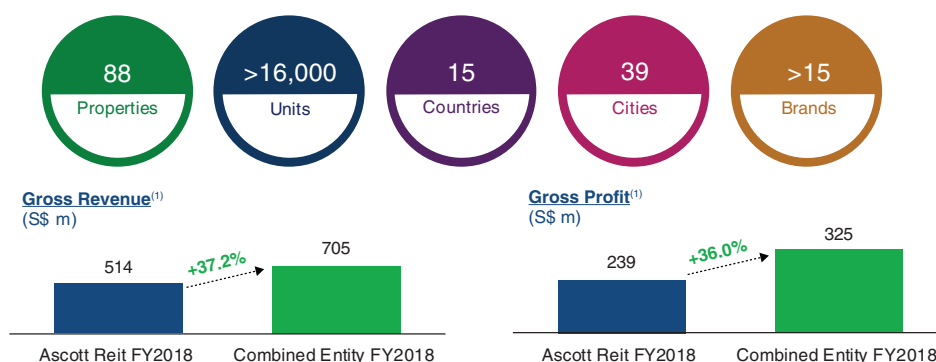


Note: Based on the A-HTRUST FY2018/2019 Financial Statements.

- (1) Excluding contributions from the divested China properties.

The Combined Entity will comprise a portfolio of 88 properties with over 16,000 units. The gross revenue of the Ascott Reit Group on a *pro forma* basis for FY2018 will increase by 37.2% from S\$514 million to S\$705 million, while the gross profit of the Ascott Reit Group on a *pro forma* basis for FY2018 will increase by 36.0% from S\$239 million to S\$325 million.

Combined Portfolio



Brands include:



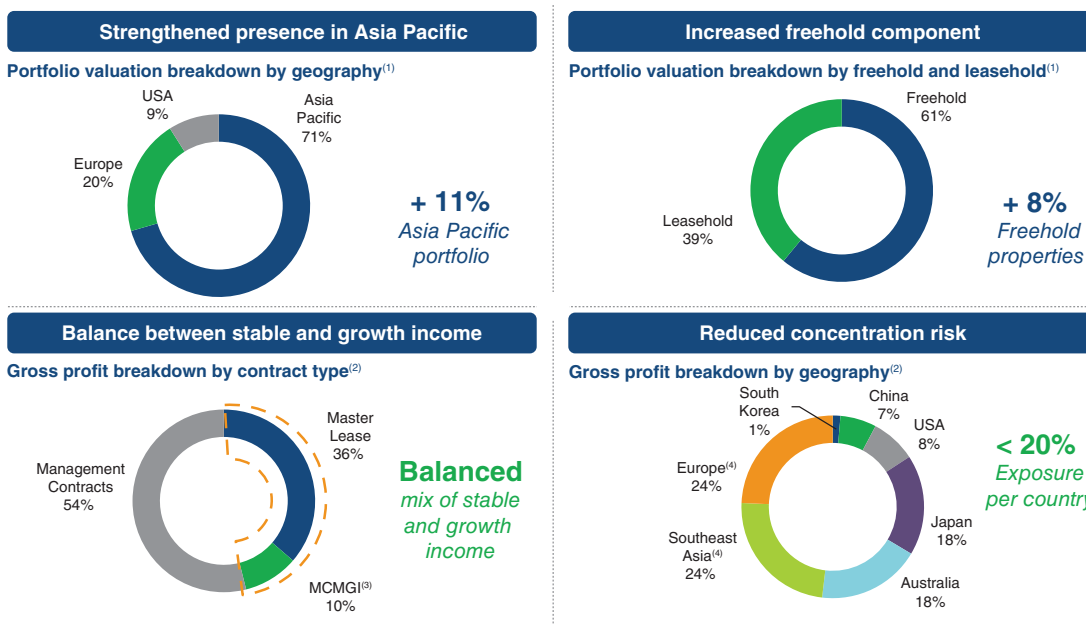
Note:

- (1) Based on the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements, excluding contributions from the divested China properties. For A-HTRUST, gross profit refers to net property income.

The Combined Entity will continue to maintain a balance between stable and growth income. Freehold properties will constitute a larger proportion of the portfolio, making up approximately 61% of the Ascott Reit Group's portfolio valuation on a *pro forma* basis as at 31 December 2018. The addition of the A-HTRUST Group's portfolio will also reduce the concentration risk of the portfolio. On a *pro forma* basis, no country will contribute more than 20% of gross profit for FY2018.

The Combination strengthens Ascott Reit's presence in Asia Pacific, where the demand for business and leisure travel is robust. On a *pro forma* basis, Asia Pacific will make up approximately 71% of the total portfolio valuation as at 31 December 2018, an increase from approximately 60%. With its expanded range of lodging options, the Combined Entity will be able to serve a broad spectrum of market segments and is well-positioned to capture the fast-growing hospitality market in Asia Pacific.

Combined Portfolio



Notes:

- (1) Breakdown of the combined portfolio valuation of S\$6.7 billion, based on the financial position of the Ascott Reit Group and the A-HTRUST Group as at 31 December 2018 and 31 March 2019 respectively.
- (2) Breakdown of the combined gross profit of S\$325 million, based on the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements, excluding contributions from the divested China properties. For A-HTRUST, gross profit refers to net property income.
- (3) MCMGI refers to Management Contracts with Minimum Guaranteed Income.
- (4) Europe comprises France (10%), the United Kingdom (7%), Germany (5%), Spain (1%) and Belgium (1%); Southeast Asia comprises Singapore (13%), Vietnam (7%), Indonesia (2%), the Philippines (2%) and Malaysia (<1%).

Asia Pacific is presently the fastest growing economic region and largest business travel region globally. The region has experienced a 4.2% gross domestic product compounded annual growth from 2013 to 2018 and accounts for the largest share of global business travel at 38%. Asia Pacific is expected to continue experiencing a boom in tourism with a forecasted average annual growth of 5.5% in international tourist arrivals from 2018 to 2023. The key driver of the growth is China, with more than 70% of China's outbound travel expected to be within Asia. The surge in tourism is also underpinned by an expanding middle-class population and the rapid growth of low cost carriers and rail networks, which has made travel more affordable and accessible. About 66% of the global middle-class population is projected to come from Asia Pacific.



Asia Pacific is the fastest growing economic region...



4.2% GDP CAGR
from 2013 to 2018⁽¹⁾



Largest share at 38%
of global business travel⁽²⁾



...and experiencing a boom in tourism...

5.5% annual growth
of international tourist arrivals
from 2018 to 2023⁽³⁾



>70%
China's outbound travel
will be within Asia⁽⁴⁾



**Low cost carriers
and rail networks**
make travel more accessible



...underpinned by an expanding middle-class

66%
of global middle-class population
will be represented by Asia⁽⁵⁾

3.9% disposable income CAGR
in Asia Pacific for period 2017 to 2022
(rest of the world 1.6% to 2.3% CAGR)⁽⁶⁾

Enlarged portfolio will serve a broad spectrum of market segments, and is well-positioned to capture the fast-growing hospitality market in Asia Pacific

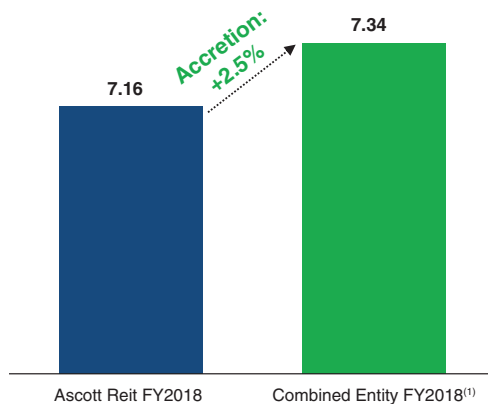
Notes:

- (1) Economist Intelligence Unit.
- (2) HRM Asia (2018).
- (3) PATA (2019).
- (4) Broker research.
- (5) Organisation for Economic Co-operation and Development.
- (6) EIU market indicators and forecasts, World Travel and Tourism Council.

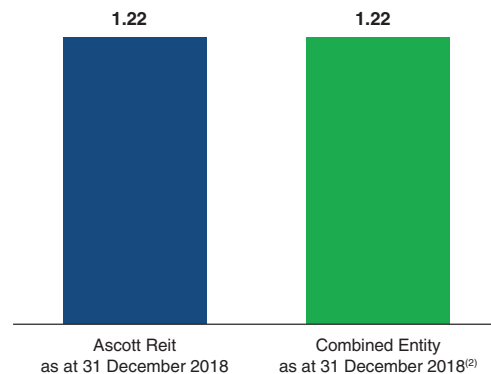
3.3 Distribution per Ascott Reit Unit or Ascott Reit-BT Stapled Unit, as the case may be ("DPU") accretive to unitholders

The Combination is expected to be DPU accretive to Ascott Reit Unitholders. The DPU for FY2018 on a *pro forma* basis will increase from 7.16 cents to 7.34 cents, translating to a DPU accretion of 2.5%. The NAV for each Ascott Reit Unit is expected to be neutral on a *pro forma* basis¹¹.

DPU
(Singapore cents)



NAV per Unit
(Singapore dollars)



For illustration only – not forward looking projections.

¹¹ Assuming the premium over NAV of A-HTRUST is written off and excluding Transaction Costs.

Notes:

- (1) This figure:
- (a) assumes that additional S\$85.1 million debt was drawn down on 1 January 2018 to fund the cash component of the Estimated Total Transaction Costs at an effective interest rate of 3.3% per annum;
 - (b) assumes that 100% of A-HTRUST's distributable income for FY2018/2019 (including S\$5.1 million of A-HTRUST's distributable income for FY2018/2019, which A-HTRUST had retained for working capital purposes) was distributed in full, and assumes that the S\$5.1 million was funded by the existing cash balances of Ascott Reit Group; and
 - (c) reflects the issuance of:
 - (i) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit as Consideration Units; and
 - (ii) 7.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.22 for each Ascott Reit-BT Stapled Unit as the Acquisition Fee on 1 January 2018 (being the closing price of an Ascott Reit Unit on 31 December 2017).
- (2) This figure refers to the *pro forma* adjusted NAV for each Ascott Reit Unit, assuming the premium over NAV of A-HTRUST is written off and excluding Transaction Costs, and:
- (a) assumes that additional S\$85.1 million was drawn down on 31 December 2018 to fund the cash component of the Estimated Total Transaction Costs at an effective interest rate of 3.3% per annum;
 - (b) reflects the issuance of:
 - (i) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit as Consideration Units; and
 - (ii) 8.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.08 for each Ascott Reit-BT Stapled Unit as the Acquisition Fee on 31 December 2018 (being the closing price of an Ascott Reit Unit on 31 December 2018).

The *pro forma* NAV for each Ascott Reit Unit as at 31 December 2018, assuming the premium over NAV of A-HTRUST is written off and including Transaction Costs, is S\$1.21 for each Ascott Reit Unit.

4. THE PROPOSED ACQUISITION OF A-HTRUST STAPLED UNITS

4.1 Scheme Implementation Agreement

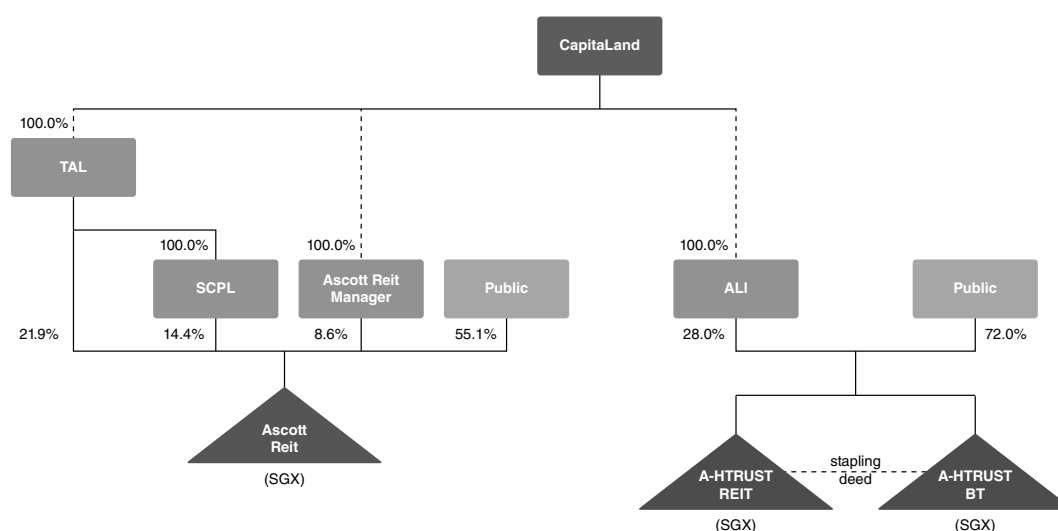
In connection with the Combination, the Ascott Reit Trustee, the Ascott Reit Manager, Perpetual (Asia) Limited (in its capacity as trustee of A-HTRUST REIT) (the "**A-HTRUST REIT Trustee**") and the A-HTRUST Managers (the "**Parties**") have on 3 July 2019 entered into an implementation agreement (as amended) (the "**Scheme Implementation Agreement**") setting out the terms and conditions on which the Combination will be implemented. The following key steps will be taken in relation to the Combination:

- (i) Ascott Reit has established a wholly-owned business trust, Ascott BT. As at the Latest Practicable Date, there is one Ascott BT Unit and as at the Ascott Reit Scheme Entitlement Date, the number of Ascott BT Units will be equivalent to the number of issued and outstanding Ascott Reit Units. Pursuant to the establishment of Ascott BT, a trust deed in relation to the Ascott BT (the "**Ascott BT Trust Deed**") and an Ascott Reit-BT Stapling Deed has been entered into (with the latter to take effect on and from the date on which the Ascott Reit Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date (the "**Ascott Reit Scheme Implementation Date**"));
- (ii) pursuant to the Ascott Reit Scheme to be effected in accordance with the Ascott Reit Trust Deed, all the Ascott BT Units will be distributed *in specie* to the Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date and each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed; and

(iii) pursuant to the A-HTRUST Scheme to be effected in accordance with the Code and the A-HTRUST Trust Deeds and the A-HTRUST Stapling Deed, on the date falling not later than seven Business Days after the Effective Date:

- (a) the A-HTRUST Managers will unstaple the A-HTRUST REIT Units and the A-HTRUST BT Units from the other and effect such unstapling before any A-HTRUST REIT Unit and A-HTRUST BT Unit may be transferred to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, pursuant to the A-HTRUST Scheme, such that each and every A-HTRUST Stapled Unit which is transferred to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, pursuant to the A-HTRUST Scheme shall be transferred on an unstapled basis; and
- (b) the Ascott Reit Trustee will acquire all the A-HTRUST REIT Units, and the Ascott BT Trustee-Manager will acquire all the A-HTRUST BT Units, for the A-HTRUST Scheme Consideration, in each case, fully paid, free from all Encumbrances and together with all rights, benefits and entitlements attaching hereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the A-HTRUST Managers on or after the Joint Announcement Date, except for the A-HTRUST Permitted Distributions (as defined herein).

As at the Joint Announcement Date, the structure of Ascott Reit and A-HTRUST was as follows:



Please refer to **paragraph 1.4** for the indicative structure of the Combined Entity currently envisaged immediately upon completion of the Combination.

4.2 Conditions to Completion

- (i) The Combination is subject to the satisfaction or waiver of the conditions (the “**Conditions**”) set out in **Appendix D, Part 1** to this Composite Document.
- (ii) The Scheme Implementation Agreement may be terminated if any Condition set out in:
 - (a) **paragraph (1), (2) or (3) of Appendix D, Part 1** has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 31 December 2019 (or such other time and date as the Parties may agree) (the “**Long-Stop Date**”) and the non-satisfaction of such Condition is material in the context of the Combination; or

- (b) **paragraph (4), (5), (6) or (7) of Appendix D, Part 1** is not satisfied (or, where applicable, has not been waived) on the Business Day immediately preceding the Effective Date (the “**Relevant Date**”) and the non-satisfaction of such Condition is material in the context of the Combination,

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

The status as to satisfaction of the Conditions as at the Latest Practicable Date, and any conditions on which such Conditions have been granted, have been set out in **Appendix D, Part 1**.

- (iii) Without prejudice to any other rights of termination under the Scheme Implementation Agreement, the Scheme Implementation Agreement may be terminated at any time from the Joint Announcement Date to (and including) the Relevant Date:

- (a) if there has been a decree, determination, injunction, judgment or other order (which is final and non-appealable) issued by any court of competent jurisdiction or by any governmental authority which has the effect of permanently enjoining, restraining or otherwise prohibiting the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or any part thereof;
- (b) if there is a breach of certain warranties given by the Ascott Reit Trustee or the Ascott Reit Manager in the Scheme Implementation Agreement, as described in **Appendix D, Part 2** (the “**Ascott Reit Warranties**”) which are material in the context of the Combination and the Ascott Reit Trustee or the Ascott Reit Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the A-HTRUST REIT Trustee or any A-HTRUST Manager to do so;
- (c) if the Ascott Reit Manager fails to perform and comply in all material respects with certain material undertakings given by the Ascott Reit Manager in the Scheme Implementation Agreement (the “**Ascott Reit Material Covenants**”) which are required to be performed or complied with by it on or prior to the Relevant Date;
- (d) if there is a breach of certain warranties given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement, as described in **Appendix D, Part 2** (the “**A-HTRUST Warranties**”) which are material in the context of the Combination and the A-HTRUST REIT Trustee or any A-HTRUST Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so;
- (e) if the A-HTRUST REIT Trustee or any A-HTRUST Manager fails to perform and comply in all material respects with certain material undertakings given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement (the “**A-HTRUST Material Covenants**”) which are required to be performed or complied with by it on or prior to the Relevant Date;
- (f) if there has been an occurrence of an Ascott Reit Material Adverse Effect; or
- (g) if there has been an occurrence of an A-HTRUST Material Adverse Effect,

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

4.3 Implementation

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

4.4 Effective Date

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

- (i) within 10 Business Days from the date that the last of the Conditions set out in **paragraphs (1), (2) and (3) of Appendix D, Part 1** is satisfied or waived, as the case may be, in accordance with the terms of the Scheme Implementation Agreement; and
- (ii) provided that the Conditions set out in **paragraphs (4), (5), (6) and (7) of Appendix D, Part 1** are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Scheme Implementation Agreement,

(the “**Effective Date**”).

4.5 Conduct of Business

Each Party has agreed not to, during the period from the Joint Announcement Date to the Effective Date, without the prior written consent of the other Parties (as relevant), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in certain prescribed occurrences in relation to the Ascott Reit Group or the A-HTRUST Group, respectively (the “**Ascott Reit Prescribed Occurrences**” and the “**A-HTRUST Prescribed Occurrences**”, as described in **Appendix D, Part 3**), save to the extent:

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

4.6 Ascott Reit Permitted Distributions and A-HTRUST Permitted Distributions

General

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

- (i) have been declared, or which the Ascott Reit Manager or any A-HTRUST Manager (as the case may be) is under a contractual obligation to make or pay but has not made or paid (in each case, where such declaration or obligation has been disclosed to the Parties), prior to the Joint Announcement Date; or
- (ii) are declared, paid or made or are to be declared, paid or made in the ordinary course of business and to the extent consistent with past practice by the Ascott Reit Manager to the Ascott Reit Unitholders or by any A-HTRUST Manager to the A-HTRUST Stapled Unitholders, as the case may be, in respect of the period from, in the case of the Ascott Reit Manager, 1 January 2019 up to (and including) the date on which the A-HTRUST Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date (the “**A-HTRUST Scheme Implementation Date**”), and in the case of the A-HTRUST Managers, 1 April 2019 up to (and including) the A-HTRUST Scheme Implementation Date (including any clean-up distributions to the Ascott Reit Unitholders or the A-HTRUST Stapled Unitholders, as the case may be, in respect of the period from the day following the latest completed financial half year of Ascott Reit or A-HTRUST, as the case may be, preceding the Effective Date, up to (and including) the A-HTRUST Scheme Implementation Date),

provided that, for this purpose, the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions shall include any and all distributions declared, paid or made or to be declared, paid or made in respect of any net gains (after taking into consideration applicable taxes and transaction fees, costs and expenses) arising from any divestments by any Ascott Reit Group Entity or any A-HTRUST Group Entity, as the case may be, effected or completed on or after 1 January 2019 or 1 April 2019, respectively, up to (and including) the A-HTRUST Scheme Implementation Date.

The Ascott Reit Manager and the A-HTRUST Managers shall be entitled to declare, make or pay the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions (as the case may be) without any adjustment to the A-HTRUST Scheme Consideration.

The A-HTRUST Stapled Unitholders shall have the right to receive and retain the A-HTRUST Permitted Distributions in addition to the A-HTRUST Scheme Consideration.

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

The Ascott Reit Manager has, on 30 July 2019, announced the distribution of 3.143 cents for each Ascott Reit Unit for the period from 1 January 2019 to 30 June 2019.

Amendment

As announced by the Ascott Reit Manager and the A-HTRUST Managers on 9 September 2019, the Parties have agreed to make certain amendments to the Scheme Implementation Agreement as summarised below:

- (i) to revise the period in respect of which the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions, as the case may be, are permitted to be distributed (“**relevant distribution period**”). The initial relevant distribution period and the amended relevant distribution period are as follows:

	Initial relevant distribution period	Amended relevant distribution period
Ascott Reit Permitted Distributions	1 January 2019 up to the day immediately before the Effective Date	1 January 2019 up to (and including) the A-HTRUST Scheme Implementation Date
A-HTRUST Permitted Distributions	1 April 2019 up to the day immediately before the Effective Date	1 April 2019 up to (and including) the A-HTRUST Scheme Implementation Date
Note	Based on the indicative timeline presently envisaged by the Parties, the day immediately before the Effective Date is expected to be 18 December 2019	Based on the indicative timeline presently envisaged between the Parties, the A-HTRUST Scheme Implementation Date is expected to be 31 December 2019

This amendment has been effected so as to align the last date of the relevant distribution period with the A-HTRUST Scheme Implementation Date.

This is because the A-HTRUST Scheme Implementation Date, being the date of completion and settlement of the Combination, is the date on which:

- the transfer of the A-HTRUST REIT Units and the A-HTRUST BT Units to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, takes place; and
- the issuance of the Consideration Units to the A-HTRUST Stapled Unitholders takes place.

Accordingly, up to (and including) the A-HTRUST Scheme Implementation Date, the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders, as unitholders of Ascott Reit and A-HTRUST, respectively, should each be entitled to the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions, respectively. The amendments reflect this position by allowing the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders to be entitled to the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions, respectively, up to (and including) the A-HTRUST Scheme Implementation Date.

- (ii) to provide that the Ascott Reit Scheme Entitlement Date may fall on a different date than the A-HTRUST Scheme Entitlement Date. This amendment has been effected so as to allow for greater flexibility in accommodating the logistics of settlement of the Combination.

4.7 Break Fee and Reverse Break Fee

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

- (i) the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager to the Ascott Reit Trustee (the “**Break Fee**”); and
- (ii) the Ascott Reit Trustee to the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager (the “**Reverse Break Fee**”),

as further described in **Appendix D, Part 4**.

4.8 Exclusivity

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

- (i) solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any A-HTRUST Competing Offer (as defined in **Appendix D, Part 4**); or
- (ii) negotiate or enter into, or participate in negotiations or discussions with any person (other than the Ascott Reit Trustee or the Ascott Reit Manager) in relation to, any A-HTRUST Competing Offer or any agreement, understanding or arrangement which would or is reasonably likely to result in or lead to any A-HTRUST Competing Offer.

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

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

4.9 Termination

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

- (i) by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an A-HTRUST Termination Event (as defined in **Appendix D, Part 4**) occurs;
- (ii) by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an Ascott Termination Event (as defined in **Appendix D, Part 4**) occurs; or

(iii) pursuant to such terms of the Scheme Implementation Agreement as set out in **paragraph 4.2(ii) or (iii)** of this Letter to Ascott Reit Unitholders above,

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

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

4.10 A-HTRUST Scheme Consideration

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

The A-HTRUST Scheme Consideration will be paid to each A-HTRUST Stapled Unitholder as at the A-HTRUST Scheme Entitlement Date.

The Consideration Units will:

- (i) when issued, be duly authorised, validly issued and fully paid-up and will rank *pari passu* in all respects with the existing Ascott Reit-BT Stapled Units as at the date of their issue;
- (ii) be issued free from any and all Encumbrances and restrictions on transfers and no person shall have any rights of pre-emption over the Consideration Units; and
- (iii) be issued at an issue price of S\$1.30¹² for each Ascott Reit-BT Stapled Unit, being the price agreed between the Parties at which the Consideration Units will be issued.

For the avoidance of doubt:

- (a) the Consideration Units will be issued with all rights, benefits and entitlements attaching thereto as at the date of their issue (not as at the Joint Announcement Date, the Latest Practicable Date or any other date) and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the Ascott Reit Manager or the Ascott BT Trustee-Manager on or after the date of their issue (and not on the Joint Announcement Date, the Latest Practicable Date or any other date);
- (b) the Consideration Units will not be entitled to the Ascott Reit Permitted Distributions; and

¹² For the avoidance of doubt, the price of each Ascott Reit Unit or the Ascott Reit-BT Stapled Unit may trade at a price which is above or below S\$1.30 for each such unit. There will not be any adjustment to the amount of the Cash Consideration or the number of the Consideration Units to be issued to reflect any such price differential.

- (c) the Parties shall be entitled to declare, make or pay the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions (as the case may be) without any adjustment to the A-HTRUST Scheme Consideration. A-HTRUST Stapled Unitholders shall have the right to receive and retain the A-HTRUST Permitted Distributions in addition to the A-HTRUST Scheme Consideration.

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

4.11 Estimated Total Transaction Costs

The total cost of the Combination is currently estimated to be approximately S\$1,267.3 million (the “**Estimated Total Transaction Costs**”), comprising:

- (i) the A-HTRUST Scheme Consideration of S\$1,235.4 million, comprising S\$61.8 million as Cash Consideration and 902.8 million Consideration Units¹³;
- (ii) an acquisition fee of S\$9.4 million, payable wholly in Ascott Reit-BT Stapled Units¹⁴ to the Ascott Reit Manager in relation to the Combination (the “**Acquisition Fee**”), being 0.5% of the Enterprise Value¹⁵ of A-HTRUST.

In this regard, to demonstrate its support for the Combination, the Ascott Reit Manager has voluntarily waived 50% of its acquisition fee entitlement under the Ascott Reit Trust Deed, which fee would otherwise have been 1% of the Enterprise Value of A-HTRUST¹⁶; and

- (iii) the estimated professional and other fees and expenses of S\$22.5 million incurred or to be incurred by the Combined Entity in connection with the Combination (the “**Transaction Costs**”).

4.12 Cash Confirmation

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

13 Based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

14 Subject to the approval of Ascott Reit Unitholders, the Proposed Unit Issue Price Amendment will take effect prior to the issuance of the Acquisition Fee. Accordingly, the Ascott Reit-BT Stapled Units to be issued as Acquisition Fees will be issued at an issue price determined by reference to a 10-business day volume weighted average price of an Ascott Reit Unit for all trades on the SGX-ST immediately preceding the Effective Date.

15 Pursuant to the Ascott Reit Trust Deed, the Acquisition Fee is calculated based on the “**Enterprise Value**” of the units being acquired, being the sum of the equity value and the total net debt attributable to such units being acquired.

16 It should also be noted that pursuant to Paragraph 5.7 of the Property Funds Appendix, the Ascott Reit Manager must receive its acquisition fees in units for acquisitions from interested persons and such units cannot be sold within one year from the date of their issuance.

4.13 Method of Financing

The Ascott Reit Manager will finance the cash component of Ascott Reit's share of the Estimated Total Transaction Costs, including the Cash Consideration, using the existing debt facilities of the Ascott Reit Group.

5. FINANCIAL EFFECTS OF THE COMBINATION

Purely for illustrative purposes only, the *pro forma* financial effects of the Combination on the Ascott Reit Group are set out in the tables below.

5.1 Pro Forma DPU

The *pro forma* financial effects of the Combination on the amount available for distribution to Ascott Reit Unitholders, the number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue and the Ascott Reit's DPU and the accretion thereof, in each case, as at 31 December 2018 or for FY2018, as if the Combination was completed on 1 January 2018 and the Ascott Reit held and operated the properties of A-HTRUST through to 31 December 2018, are as follows:

	Effects of Combination	
	Before Combination	After Combination
Amount available for distribution to Ascott Reit Unitholders (S\$ million)	154.8	225.6 ^{(1),(2)}
Number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue (million)	2,164.6	3,075.1 ⁽³⁾
DPU (Singapore cents)	7.16	7.34
Accretion (%)	–	2.5

Notes:

- (1) This figure assumes that additional S\$85.1 million was drawn down on 1 January 2018 to fund the cash component of the Estimated Total Transaction Costs at an effective interest rate of 3.3% per annum.
- (2) This figure assumes that 100% of A-HTRUST's distributable income for FY2018/2019 (including S\$5.1 million of A-HTRUST's distributable income for FY2018/2019, which A-HTRUST had retained for working capital purposes) was distributed in full and assumes that the S\$5.1 million was funded by the existing cash balances of the Ascott Reit Group.
- (3) This figure reflects the issuance of:
 - (a) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit as Consideration Units; and
 - (b) 7.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.22 for each Ascott Reit-BT Stapled Unit as the Acquisition Fee on 1 January 2018 (being the closing price of an Ascott Reit Unit on 31 December 2017).

5.2 Pro Forma NAV and NTA

The *pro forma* financial effects of the Combination on the NAV and NTA of the Ascott Reit Group, the number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue and the NAV and NTA for each Ascott Reit Unit and Ascott Reit-BT Stapled Unit as at 31 December 2018, as if the Combination was completed on 31 December 2018, are as follows:

	Effects of Combination	
	Before Combination	After Combination
NAV/NTA (S\$ million)	2,644.1	3,713.4 ^{(1),(2)}
Number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue (million)	2,164.6	3,076.1 ⁽³⁾
NAV/NTA for each Ascott Reit Unit and Ascott Reit-BT Stapled Unit (S\$)	1.22	1.21 ⁽²⁾
Adjusted NAV/NTA for each Ascott Reit Unit and Ascott Reit-BT Stapled Unit (S\$) – excludes Transaction Costs	1.22	1.22 ⁽⁴⁾

Notes:

- (1) This figure assumes that additional S\$85.1 million was drawn down on 31 December 2018 to fund the cash component of the Estimated Total Transaction Costs.
- (2) This figure assumes the premium over NAV of A-HTRUST is written off and includes Transaction Costs.
- (3) This figure reflects the issuance of:
- (a) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit as Consideration Units; and
 - (b) 8.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.08 for each Ascott Reit-BT Stapled Unit as the Acquisition Fee on 31 December 2018 (being the closing price of an Ascott Reit Unit on 31 December 2018).
- (4) This figure assumes the premium over NAV of A-HTRUST is written off.

5.3 Pro Forma Aggregate Leverage

The *pro forma* financial effects of the Combination on the aggregate leverage of the Ascott Reit Group as at 31 December 2018, as if the Combination was completed on 31 December 2018, are as follows:

	Effects of Combination	
	Before Combination	After Combination
Aggregate leverage (%)	36.7	36.9 ⁽¹⁾

Note:

- (1) Without taking into account the effects of transactions for the Ascott Reit Group and the A-HTRUST Group after 31 December 2018 and 31 March 2019, respectively.

5.4 Bases and Assumptions of *Pro Forma* Financial Effects

Bases and Assumptions

The *pro forma* financial effects of the Combination presented above have been prepared based on the following key bases and assumptions:

- (i) the *pro forma* financial effects have been prepared based on the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements, respectively;
- (ii) the *pro forma* financial effects have been prepared in material accordance with applicable laws and in accordance with the following accounting standards and policies:
 - (a) with respect to the Ascott Reit Group, the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” and the accounting policies of the Ascott Reit Group used in preparing the Ascott Reit FY2018 Financial Statements, consistently applied;
 - (b) with respect to the A-HTRUST REIT and its subsidiaries and sub-trusts, the Singapore Financial Reporting Standards (International)¹⁷ (“**SFRS(I)**”) and the accounting policies of the A-HTRUST Group used in preparing the A-HTRUST FY2018/2019 Financial Statements, consistently applied; and
 - (c) with respect to the A-HTRUST BT and its subsidiaries and sub-trusts, the provisions of the Business Trusts Act (Cap 31A) of Singapore, the SFRS(I) and the accounting policies of the A-HTRUST Group used in preparing the A-HTRUST FY2018/2019 Financial Statements, consistently applied; and
- (iii) the *pro forma* financial effects have been prepared without taking into account the differences in financial year-end of each of the Ascott Reit Group and the A-HTRUST Group, or the accounting standards or policies under which each of the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements have been prepared.

Illustrative Purposes Only

The *pro forma* financial effects of the Combination presented above have been prepared for illustrative purposes only to show:

- what the DPU of the Ascott Reit Group for FY2018 would have been if the Combination had been completed with effect from 1 January 2018; and
- what the NAV, NTA and aggregate leverage of the Ascott Reit Group as at 31 December 2018 would have been if the Combination had been completed as at 31 December 2018.

The *pro forma* financial effects of the Combination presented above may not, because of its nature, give a true picture of what the amount of the DPU of the Ascott Reit Group or the NAV, NTA and aggregate leverage of the Ascott Reit Group for

17 The MAS has granted the A-HTRUST Group a waiver from preparing its financial statements in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” with effect from the financial year beginning 1 April 2018 (as required under Paragraph 4.3 of the Property Funds Appendix) and, accordingly, the A-HTRUST REIT Group prepares its financial statements in accordance with SFRS(I) instead.

FY2018 and as at 31 December 2018 might have been if the Combination had actually been completed with effect from 1 January 2018 or as at 31 December 2018, as the case may be.

6. MATERIAL TRANSACTION

Chapter 10 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Ascott Reit. Such transactions are classified into the following categories:

- (i) non-disclosable transactions;
- (ii) disclosable transactions;
- (iii) major transaction; and
- (iv) very substantial acquisitions or reverse takeovers.

A transaction by Ascott Reit may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (a) the NAV of the assets to be disposed of, compared with the NAV of the Ascott Reit Group;
- (b) the net profits attributable to the assets acquired or disposed, compared with the Ascott Reit Group’s net profits;
- (c) the aggregate value of the consideration given or received, compared with the Ascott Reit Group’s market capitalisation; and
- (d) the number of Ascott Reit Units issued by Ascott Reit as consideration for an acquisition, compared with the number of Ascott Reit Units previously in issue.

The relative figures for the Combination using the applicable bases of comparison described in Chapter 10 of the Listing Manual and based on the Consideration Units are set out in the table below:

	A-HTRUST Group or Combination, as the case may be (\$ million)	Ascott Reit Group (\$ million)	Percentage (%)
Rule 1006(b)			
Net profits attributable to the A-HTRUST Group compared with the net profits of the Ascott Reit Group, in each case, for the three-month period ended 31 March 2019 ⁽¹⁾	75.7 ⁽²⁾	169.8 ⁽²⁾	44.6
	9.5 ⁽³⁾	34.8 ⁽³⁾	27.3

	A-HTRUST Group or Combination, as the case may be (\$ million)	Ascott Reit Group (\$ million)	Percentage (%)
Rule 1006(c) A-HTRUST Scheme Consideration ⁽⁴⁾ compared with Ascott Reit’s market capitalisation as at 2 July 2019, being the latest trading date prior to the Joint Announcement Date (the “ Latest Trading Date ”)	1,235.4	2,841.3	43.5
Rule 1006(d) Number of Ascott Reit-BT Stapled Units to be issued pursuant to the Combination compared with the number of Ascott Reit Units in issue as at the Latest Trading Date	902.8	2,174.8	41.5

Notes:

- (1) In each case of the A-HTRUST Group and the Ascott Reit Group, “**net profits**” has been reflected before income tax, non-controlling interests and extraordinary items.
- (2) In the case of the A-HTRUST Group, including a gain of S\$65.7 million relating to net changes in fair value of investment properties and a gain of S\$0.5 million relating to net changes in fair value of derivative financial instruments. In the case of the Ascott Reit Group, including a gain of S\$135.0 million relating to net changes in fair value of assets held for sale (being a fair value gain from the sale of Ascott Raffles Place Singapore – such gain was calculated based on the sale consideration, net of property costs and transaction costs) and a gain of S\$0.004 million relating to net changes in fair value of financial derivatives.
- (3) In the case of the A-HTRUST Group, excluding a gain of S\$65.7 million relating to net changes in fair value of investment properties and a gain of S\$0.5 million relating to net changes in fair value of derivative financial instruments. In the case of the Ascott Reit Group, excluding a gain of S\$135.0 million relating to net changes in fair value of assets held for sale (being a fair value gain from the sale of Ascott Raffles Place Singapore – such gain was calculated based on the sale consideration, net of property costs and transaction costs) and a gain of S\$0.004 million relating to net changes in fair value of financial derivatives.
- (4) Based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

As the relative figures for the Combination under Rules 1006(b), Rules 1006(c) and Rules 1006(d) of the Listing Manual exceed 20% (but not 100%), the Combination is classified as a “**major transaction**” under Chapter 10 of the Listing Manual and, accordingly, is subject to the approval of Ascott Reit Unitholders at the EGM. Such approval is being sought pursuant to Resolutions 2 and 3.

7. INTERESTED PERSON TRANSACTION

7.1 Interested Person Transaction

As at the Latest Practicable Date, CapitaLand holds, in aggregate through TAL, SCPL and the Ascott Reit Manager, approximately 45.0% of all the Ascott Reit Units. CapitaLand also holds, through Ascendas Pte Ltd (“**APL**”), 100% of all the issued shares of ALI, which in turn holds 28.1% of all the A-HTRUST Stapled Units. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix:

- (i) Ascott Reit is an “entity at risk”;

- (ii) CapitaLand is a “controlling unitholder” of Ascott Reit and ALI is an associate of CapitaLand;
- (iii) pursuant to the Combination, Ascott Reit, an entity at risk, is acquiring A-HTRUST Stapled Units from ALI, an associate of CapitaLand (the “**ALI Acquisition**”); and
- (iv) the Combination, which includes the ALI Acquisition, constitutes an interested person transaction.

7.2 Ascott Reit Unitholders’ Approval and Other Transactions

The estimated A-HTRUST Scheme Consideration payable by Ascott Reit pursuant to the Ascott Reit Acquisition is S\$1,235.4 million¹³. Of this S\$1,235.4 million, the consideration payable by Ascott Reit to ALI pursuant to the ALI Acquisition is S\$346.5 million¹⁸.

The A-HTRUST Scheme Consideration represents 46.7% of the NTA of the Ascott Reit Group of S\$2,644.1 million as at 31 December 2018. Of this 46.7%, the consideration payable by Ascott Reit to ALI represents 13.1% of the NTA of the Ascott Reit Group of S\$2,644.1 million as at 31 December 2018.

Accordingly, in either case of the Ascott Reit Acquisition (which includes the ALI Acquisition) and the ALI Acquisition:

- (i) such acquisition is required to be approved by the Ascott Reit Unitholders (with TAL, SCPL and the Ascott Reit Manager abstaining) under Rules 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix; and
- (ii) the Combination (of which such acquisitions form a part) is conditional upon such approval. Such approval is being sought pursuant to Resolutions 2 and 3.

As at the Latest Practicable Date, other than the ALI Acquisition and excluding interested person transactions with a value of less than S\$100,000 each, the value of all interested person transactions entered into between the Ascott Reit Group and CapitaLand, its subsidiaries and associates during the course of the current financial year is approximately S\$22.6 million (which is approximately 0.9% of the NAV and NTA of the Ascott Reit Group as at 31 December 2018). Save as described in the foregoing, there were no interested person transactions entered into between the Ascott Reit Group and CapitaLand, its subsidiaries and associates.

8. PROPOSED ISSUANCE OF THE CONSIDERATION UNITS

As at the Latest Practicable Date, approximately 903.6 million Consideration Units will be issued to the A-HTRUST Stapled Unitholders as partial payment of the A-HTRUST Scheme Consideration¹⁹.

The Consideration Units issued will not be entitled to the Ascott Reit Permitted Distributions and will, upon issue, rank *pari passu* in all respects with the existing Ascott Reit-BT Stapled Units, as at the date of their issue.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued

18 Calculated based on a total of 318.8 million A-HTRUST Stapled Units held by ALI as at the Joint Announcement Date.

19 Calculated based on a total of approximately 1,137.7 million A-HTRUST Stapled Units as at the Latest Practicable Date.

pursuant to a general mandate obtained from unitholders of the issuer. Such approval is being sought pursuant to Resolution 3.

As announced by the Ascott Reit Manager on 9 September 2019, the SGX-ST has given its approval in-principle for the listing and quotation of the following units, in each case, on the Main Board of the SGX-ST:

- (i) up to 2,183.2 million new Ascott Reit-BT Stapled Units, which will be issued to existing Ascott Reit Unitholders pursuant to the Ascott Reit Scheme;
- (ii) up to 906.0 million²⁰ new Ascott Reit-BT Stapled Units, which will be issued as part consideration for the Combination; and
- (iii) new Ascott Reit-BT Stapled Units which may be issued to the Ascott Reit-BT Managers from time to time pursuant to the general mandate for issuance of new Ascott Reit-BT Stapled Units, in full or part payment of fees payable to the Ascott Reit-BT Managers (including up to 7.3 million Ascott Reit-BT Stapled Units to be issued as payment for the Acquisition Fee in respect of the Combination).

The approval in-principle for the listing and quotation of such units is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) approval of the Ascott Reit Unitholders of all the resolutions to be approved for the purpose of effecting the Combination; and
- (c) approval of the Court for the implementation of the Ascott Reit Scheme.

The SGX-ST's in-principle approval for the listing and quotation of such units is not to be taken as an indication of the merits of the Combination and the related proposals, the Ascott Reit-BT Stapled Units, Ascott Reit and/or its subsidiaries.

9. THE STAPLING OF ASCOTT REIT AND ASCOTT BT

9.1 Rationale for the Ascott Reit Scheme and the Stapling of Ascott Reit and Ascott BT

A-HTRUST is one of the listed trusts in Singapore which has an active business trust component. To facilitate the Combination, it is proposed that a newly established business trust, Ascott BT, acquire A-HTRUST BT, and Ascott Reit acquire A-HTRUST REIT, so that the active A-HTRUST BT component can be retained as a business trust structure following the Combination.

Under the Property Funds Appendix, a REIT should not derive more than 10 per cent. of its revenue from sources other than passive income sources²¹. As A-HTRUST BT derives and may, after completion of the Combination, continue to derive certain of its income from non-passive income sources, the stapled Ascott Reit and Ascott BT structure has been put

20 This figure takes into account and assumes that the base management fees and performance fees to the A-HTRUST Managers for the period from 1 April 2019 to 30 September 2019 are partially paid in A-HTRUST Stapled Units.

21 Such passive income sources refer to:

- (a) rental payments from the tenants of the real estate held by the property fund; or
- (b) interest, dividends, and other similar payments from special purpose vehicles and other permissible investments of the property fund.

in place so as to facilitate compliance by the Combined Entity with the Property Funds Appendix in the event the business trust component of the Combined Entity derives more than 10 per cent. of its revenue from non-passive income sources.

It should be noted that:

- (i) on the first Business Day on which the Ascott Reit-BT Stapled Units commence trading, the Ascott Reit Units (with the stock code "A68U" and the Ascott Reit ISIN Code) will no longer be traded on the SGX-ST. Instead, Ascott Reit-BT Stapled Units (with a new stock code and ISIN code, which will each be assigned by the CDP in due course) will be traded on the SGX-ST; and
- (ii) to the extent, immediately prior to such Business Day, there are any unfulfilled buy or sell orders with respect to Ascott Reit Units (with the stock code "A68U" and the Ascott Reit ISIN Code), such unfulfilled orders will be cancelled and will not be carried over as orders with respect to Ascott Reit-BT Stapled Units (the new stock code and ISIN code).

Accordingly, if any person has any unfulfilled buy or sell orders on the first Business Day on which the Ascott Reit-BT Stapled Units commence trading, such person should provide fresh instructions to buy or sell Ascott Reit-BT Stapled Units (using the new stock code and ISIN code).

If you have any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Further details on the logistics of the implementation of the Ascott Reit Scheme, including the trading of Ascott Reit Units and Ascott Reit-BT Stapled Units and the new stock code and ISIN code of the Ascott Reit-BT Stapled Units, will be announced in due course. It is expected that the new stock code and ISIN code of the Ascott Reit-BT Stapled Units will be issued after the notice of the Ascott Reit Scheme Entitlement Date has been announced.

9.2 The Ascott BT Trust Deed and the Ascott Reit-BT Stapling Deed

Ascott BT is constituted as a business trust by the Ascott BT Trust Deed, and will, as at the Ascott Reit Scheme Implementation Date, be registered as a registered business trust under the BTA.

Following the Combination, the Combined Entity will be a stapled group comprising units in Ascott Reit and Ascott BT. The Ascott Reit Units and the Ascott BT Units will be stapled together under the terms of the Ascott Reit-BT Stapling Deed.

In the event the Ascott Reit Scheme Resolution is not passed or the Ascott Reit Scheme and/or the A-HTRUST Scheme does not become effective in accordance with its terms, the Combination would not be effected. Accordingly:

- (i) **Ascott Reit will remain as a standalone real estate investment trust, without a stapled business trust component; and**
- (ii) **since the Ascott BT has been established, Ascott Reit would be a 100% unitholder in Ascott BT. Notwithstanding, Ascott BT will be a dormant, private sub-trust of Ascott Reit.**

9.3 Rights, Interests and Liabilities of Holders of Ascott BT Units

The rights and interests of holders of Ascott BT Units (“**Ascott BT Unitholders**”) are contained in the Ascott BT Trust Deed.

Certain key matters with respect to the rights and interests of unitholders, as holders of an Ascott Reit Unit and an Ascott BT Unit, together with a comparison thereof, are set out below²².

Ascott Reit	Ascott BT	Comparison²³
<i>Constitutive Documents</i>		
Ascott Reit Trust Deed, which is binding on each Ascott Reit Unitholder.	Ascott BT Trust Deed, which is binding on each Ascott BT Unitholder.	✓
<i>Trustee and Manager</i>		
Ascott Reit Trustee as trustee and Ascott Reit Manager as manager.	Ascott BT Trustee-Manager as trustee-manager.	N/A
<i>Nature of Unit</i>		
Each Ascott Reit Unit represents an undivided interest in Ascott Reit.	Each Ascott BT Unit represents an undivided interest in Ascott BT.	✓
Each Ascott Reit Unitholder: <ul style="list-style-type: none"> • has no equitable or proprietary interest in the underlying assets of Ascott Reit; and • is not entitled to the transfer to it of any assets of Ascott Reit. 	Each Ascott BT Unitholder: <ul style="list-style-type: none"> • has no equitable or proprietary interest in the underlying assets of Ascott BT; and • is not entitled to the transfer to it of any assets of Ascott BT. 	✓
<i>Voting Rights</i>		
Every Ascott Reit Unit carries the same voting rights.	Every Ascott BT Unit carries the same voting rights.	✓
<i>Distributions</i>		
Each Ascott Reit Unitholder has the right to receive income and other distributions attributable to the Ascott Reit Units held.	Each Ascott BT Unitholder has the right to receive income and other distributions attributable to the Ascott BT Units held.	✓

²² Such matters are subject to the terms and conditions set out in the Ascott Reit Trust Deed, the Ascott BT Trust Deed and/or the Ascott Reit Stapling Deed, as the case may be.

²³ For ease of reference, “✓” indicates that the position with respect to Ascott Reit and Ascott BT are the same or substantially the same.

Ascott Reit	Ascott BT	Comparison²³
<i>Return of Capital</i>		
The Ascott Reit Manager may, with the consent of the Ascott Reit Trustee, cause the distribution of an amount which represents part of the capital of Ascott Reit.	The Ascott BT Trustee-Manager may cause the distribution of an amount which represents part of the capital of Ascott BT.	✓
<i>Issue of Units</i>		
The Ascott Reit Manager has the exclusive right to issue Ascott Reit Units and to determine the offer, manner of sale and price of, amongst other things, rights issues.	The Ascott BT Trustee-Manager has the exclusive right to issue Ascott BT Units and to determine the offer, manner of sale and price of, amongst other things, rights issues.	✓
<i>Unit Buy-back</i>		
The Ascott Reit Manager is entitled to repurchase or otherwise acquire Ascott Reit Units under a unit buy-back mandate obtained from Ascott Reit Unitholders.	The Ascott BT Trustee-Manager is entitled to repurchase or otherwise acquire Ascott BT Units under a unit buy-back mandate obtained from Ascott BT Unitholders.	✓
<i>Right to Conversion of Units</i>		
Ascott Reit has not issued any convertible securities which are convertible into Ascott Reit Units.	Nil.	N/A
<i>Information Rights</i>		
Each Ascott Reit Unitholder has the right to receive audited accounts and annual reports of Ascott Reit.	Each Ascott BT Unitholder has the right to receive audited accounts and annual reports of Ascott BT.	✓
<i>Limitation on holders' rights</i>		
Ascott Reit Unitholders cannot give any directions to the Ascott Reit Trustee or the Ascott Reit Manager which may result in Ascott Reit ceasing to comply with applicable laws and regulations, including the Listing Manual or the Property Funds Appendix.	Ascott BT Unitholders cannot give any directions to the Ascott BT Trustee-Manager which may result in Ascott BT ceasing to comply with applicable laws and regulations.	✓

Ascott Reit	Ascott BT	Comparison ²³
Limitation of Liability		
If the issue price of the Ascott Reit Units held by an Ascott Reit Unitholder has been fully paid, no such Ascott Reit Unitholder, by reason alone of being a Ascott Reit Unitholder, will be personally liable to indemnify the Ascott Reit Trustee or any creditor of Ascott Reit in the event that the liabilities of Ascott Reit exceed its assets.	If the issue price of the Ascott BT Units held by an Ascott BT Unitholder has been fully paid, no such Ascott BT Unitholder, by reason alone of being a Ascott BT Unitholder, will be personally liable to indemnify the Ascott BT Trustee-Manager or any creditor of Ascott BT in the event that the liabilities of Ascott BT exceed its assets.	✓
Electronic Communications		
Any notice or document (including any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Ascott Reit Trust Deed to an Ascott Reit Unitholder may be given, sent or served using electronic communications, subject to applicable laws.	Any notice or document (including any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Ascott BT Trust Deed to an Ascott BT Unitholder may be given, sent or served using electronic communications, subject to applicable laws.	✓
Termination		
Each Ascott Reit Unitholder has the right to participate in the termination of Ascott Reit.	Each Ascott BT Unitholder has the right to participate in the winding-up or liquidation of Ascott BT.	✓

Certain key matters with respect to the stapled Ascott Reit Units and Ascott BT Units are set out below²²:

Ascott Reit-BT Stapling Deed Provisions	
Constitutive Document	The terms and conditions of the Ascott Reit-BT Stapling Deed shall be binding on each holder of Ascott Reit-BT Stapled Units (" Ascott Reit-BT Stapled Unitholder ").
Co-operation	Ascott Reit and Ascott BT must: <ul style="list-style-type: none"> • co-operate with each other in all matters concerning the Ascott Reit-BT Stapled Units; and • make available to each other all information in their possession as may be necessary or desirable to fulfil their respective obligations under the Ascott Reit-BT Stapling Deed.
Trading	Ascott Reit Units and Ascott BT Units are treated as one instrument for trading purposes – i.e., an Ascott Reit Unitholder cannot buy or sell Ascott Reit Units unless the same action occurs in respect of Ascott BT Units and <i>vice versa</i> .
Issue of units	Ascott Reit cannot issue Ascott Reit Units unless the same action occurs in respect of Ascott BT and <i>vice versa</i> .
Unit buy-backs	Ascott Reit cannot buy-back Ascott Reit Units unless the same action occurs in respect of Ascott BT and <i>vice versa</i> .
Stapling	Ascott Reit-BT Stapled Units will remain stapled for so long as the Ascott Reit-BT Stapled Units remain in issue until: <ul style="list-style-type: none"> • otherwise determined by an Extraordinary Resolution passed by the Ascott Reit Unitholders and the Ascott BT Unitholders and with prior approval from the SGX-ST for such unstapling; • stapling becomes unlawful or prohibited by the relevant laws, regulations and guidelines, and with notification provided to the SGX-ST prior to such unstapling; or • either Ascott Reit or Ascott BT is terminated or wound up. <p>The Ascott Reit-BT Stapling Deed will cease to be of effect from that point in time, except in relation to certain ongoing obligations stated therein.</p>
Others	Ascott Reit and Ascott BT remain as separate entities – i.e., the Ascott Reit-BT Stapling Deed does not: <ul style="list-style-type: none"> • create any association, joint venture or partnership between Ascott Reit and Ascott BT for any purpose; or • authorise the sharing of the benefits of any assets (and any profits therefrom).

Certain key matters with respect to the tax position of Ascott Reit-BT Stapled Unitholders are set out in **Appendix L** to this Composite Document.

9.4 The Trustee-Manager of Ascott BT

Certain key matters with respect to the Ascott BT Trustee-Manager are set out below²²:

Ascott BT-Trustee Manager	
Constitution	Company incorporated in Singapore.
Powers, duties and obligations	Set out in the Ascott BT Trust Deed and include: <ul style="list-style-type: none"> • safeguarding the rights and interests of the Ascott BT Unitholders; • holding the assets of Ascott BT on trust for the benefit of the Ascott BT Unitholders; and • exercising all the powers of a trustee-manager and the powers that are incidental to the ownership of the assets of Ascott BT.
Rights	May acquire or dispose of any real or personal property, borrow and encumber any assets.
Performance of duties	May appoint and engage: <ul style="list-style-type: none"> • a person or entity to exercise any of its powers or perform its obligations; and • any real estate agents or managers, including an Interested Person (as defined in the Ascott BT Trust Deed), in relation to the management, development, leasing, purchase or sale of any of real estate assets and real estate-related assets.
Compliance with laws and regulations	Must carry out its functions and duties and comply with all the obligations imposed on it and set out in: <ul style="list-style-type: none"> • the Ascott BT Trust Deed; and • the Listing Manual, the SFA, the BTA and all other applicable laws, regulations and guidelines.
Custody of assets	Must retain Ascott BT's assets or cause Ascott BT's assets to be retained in safe custody and cause Ascott BT's accounts to be audited.
Liability	Not personally liable to an Ascott BT Unitholder in connection with the office of the trustee-manager, except in respect of its own fraud, gross negligence, wilful default, breach of trust or breach of the constitutive documents, or where the Ascott BT Trustee-Manager fails to exercise due care.
Indemnities	Indemnified out of the assets of Ascott BT for liability arising in connection with certain acts or omissions, subject to applicable laws and regulations.

9.5 Resignation or Removal of the Ascott BT Trustee-Manager

The Ascott BT Trustee-Manager may resign or be removed under the following circumstances:

- (i) the Ascott BT Trustee-Manager shall only resign in accordance with the relevant laws, regulations and guidelines and its resignation shall only be upon the appointment of a new trustee-manager (such appointment to be made in accordance with the provisions of the Ascott BT Trust Deed); and
- (ii) the Ascott BT Trustee-Manager may be removed in accordance with the relevant laws, regulations and guidelines.

9.6 Fees and Charges Payable

The fees and charges payable to the Ascott Reit Manager, the Ascott Reit Trustee and the Ascott BT Trustee-Manager are set out below²².

Ascott Reit	Ascott BT	Comparison ²³
Fees and charges payable to the Ascott Reit Manager and (in its capacity as manager of Ascott BT) the Ascott BT Trustee-Manager		
Calculation		
<ul style="list-style-type: none"> • The fees and charges will be calculated separately with respect to each of Ascott Reit and Ascott BT (not on a consolidated stapled basis). 		
Base Fee		
<ul style="list-style-type: none"> • 0.3% per annum of the property values (being the aggregate value of the real estate held by Ascott Reit). 	<ul style="list-style-type: none"> • 0.3% per annum of the property values (being the aggregate value of the real estate held by Ascott BT). 	✓
Performance Fee		
Base performance fee: <ul style="list-style-type: none"> • 4.0% per annum of the Ascott Reit Group’s share of gross profit for each financial year. 	Base performance fee: <ul style="list-style-type: none"> • 4.0% per annum of Ascott BT and its subsidiaries (the “Ascott BT Group”)’s share of gross profit for each financial year. 	✓

Ascott Reit	Ascott BT	Comparison ²³
<p>Outperformance fee:</p> <ul style="list-style-type: none"> in the event that the Ascott Reit Group's share of gross profit increases by more than 6.0% annually, 1.0% of the difference between the Ascott Reit Group's share of that financial year's gross profit and 106% of the preceding year's gross profit. 	<p>Outperformance fee:</p> <ul style="list-style-type: none"> in the event that the Ascott BT Group's share of gross profit increases by more than 6.0% annually, 1.0% of the difference between the Ascott BT Group's share of that financial year's gross profit and 106% of the preceding year's gross profit. 	
Acquisition Fee		
<ul style="list-style-type: none"> 1.0% of the Enterprise Value (as defined in the Ascott Reit Trust Deed) of any real estate or real estate-related asset acquired directly or indirectly by Ascott Reit, prorated if applicable to the proportion of Ascott Reit's interest. 	<ul style="list-style-type: none"> 1.0% of the Enterprise Value (as defined in the Ascott BT Trust Deed) of any real estate or real estate-related asset acquired directly or indirectly by Ascott BT, prorated if applicable to the proportion of Ascott BT's interest. 	✓
Divestment Fee		
<ul style="list-style-type: none"> 0.5% of the Enterprise Value (as defined in the Ascott Reit Trust Deed) of any real estate or real estate-related asset disposed directly or indirectly by Ascott Reit, prorated if applicable to the proportion of Ascott Reit's interest. 	<ul style="list-style-type: none"> 0.5% of the Enterprise Value (as defined in the Ascott BT Trust Deed) of any real estate or real estate-related asset disposed directly or indirectly by Ascott BT, prorated if applicable to the proportion of Ascott BT's interest. 	✓
Fees and charges payable to the Ascott Reit Trustee and (in its capacity as trustee of Ascott BT) the Ascott BT Trustee-Manager		
Trustee Fee		
<ul style="list-style-type: none"> Not exceeding 0.1% per annum of the value of the assets for the time being held or deemed to be held upon trust, subject to a minimum of S\$10,000 per month, excluding out-of-pocket expenses and goods and services tax which is borne by Ascott Reit. 	<ul style="list-style-type: none"> Not exceeding 0.015% per annum of the value of the assets for the time being held or deemed to be held upon trust, subject to a minimum of S\$13,500 per month, excluding out-of-pocket expenses and goods and services tax which is borne by Ascott BT. 	<p>The trustee fee payable to the Ascott BT Trustee-Manager, in its capacity as trustee of Ascott BT, will be based on the trustee fee presently paid or payable to the A-HTRUST BT Trustee-Manager, in its capacity as trustee of A-HTRUST BT.</p>

Ascott Reit	Ascott BT	Comparison ²³
<ul style="list-style-type: none"> Reimbursement of expenses incurred in the performance of its duties. 	<ul style="list-style-type: none"> Reimbursement of expenses incurred in the performance of its duties. 	<p>In this regard, the actual amount of trustee fee payable to the Ascott Reit Trustee is calculated on a scaled percentage, where the percentage of trustee fees decreases as the value of the assets for the time being held or deemed to be held upon trust increases. Accordingly, in practice, the actual fee payable to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, expressed as a percentage of the value of the assets for the time being held or deemed to be held upon trust, will not be materially different.</p>
Fees and charges payable to the Ascott Reit Manager, the Ascott Reit Trustee and the Ascott BT Trustee-Manager		
<i>Changes to Fee Structure</i>		
<ul style="list-style-type: none"> By way of Extraordinary Resolution. 	<ul style="list-style-type: none"> By way of Extraordinary Resolution. 	✓

For information as to the fee structure of the Ascott Reit Group, as compared with the A-HTRUST Group, please refer to **paragraph 10.1(iii)** of this Letter to Ascott Reit Unitholders – in this regard, the fee structure of the Ascott Reit Group and the A-HTRUST Group each as presently adopted are not materially different.

Onshore fees

Under the A-HTRUST Trust Deeds, part of the fees payable to the A-HTRUST Managers are allowed to be and are in fact currently paid instead by certain subsidiaries of A-HTRUST to certain nominated entities of the A-HTRUST Managers in certain jurisdictions outside Singapore in which A-HTRUST has a presence (namely, Australia, Japan and South Korea). This arrangement is intended to enable compliance with applicable licensing requirements in those jurisdictions.

This arrangement is intended to continue upon completion of the Combination, when those subsidiaries of A-HTRUST will become subsidiaries of the Combined Entity (the “**Proposed Onshore Fees Arrangement**”). To this end and to enable the Proposed Onshore Fees Arrangement to continue upon completion of the Combination, the Ascott Reit Trust Deed will be amended to allow part of the fees payable to the Ascott Reit Manager (the “**Management Fees**”) to be paid to nominated entities of the Ascott Reit Manager in those jurisdictions as the Ascott Reit Trust Deed does not expressly provide for such an arrangement (the Ascott BT Trust Deed will have such provisions from the outset).

It should be noted that the Management Fees form part of, and are not in addition to, the fees payable to the Ascott Reit Manager in accordance with the Ascott Reit Trust Deed (or the Ascott BT Trustee-Manager in accordance with the Ascott BT Trust Deed) and the Proposed Onshore Fees Arrangement will not result in an increase in the total fees payable to the Ascott Reit Manager (or the Ascott BT Trustee-Manager).

The text of the amendments is set out as follows:

To insert the following provision in the Ascott Reit Trust Deed immediately after Clause 15.3 of the Ascott Reit Trust Deed (with the subsequent clause to be renumbered accordingly):

“15.4 Onshore Fees

If relevant, the Manager may, at its discretion but subject at all times to the provisions of this Deed and the Relevant Laws, Regulations and Guidelines, procure the entry into by the Manager and the Trustee of a written agreement with such subsidiary entities or trusts or Special Purpose Vehicles owned or to be owned by the Trust to provide, *inter alia*, for the payment of any part or component of the Management Fee to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager’s subsidiaries) by each relevant subsidiary entity, trust or Special Purpose Vehicle.”

Accrued fees

Under the A-HTRUST Trust Deeds, there may be certain base fees and performance fees payable to the A-HTRUST Managers in respect of the following periods which would have been accrued, but would be unpaid, on the date prior to the A-HTRUST Scheme Implementation Date. Such fees would instead be payable on or after the A-HTRUST Scheme Implementation Date.

Type of Fees	Relevant Period	Indicative Dates²⁴
Base fee	The period commencing on (and including) the first date of the relevant calendar quarter in respect of which the base fee has been accrued but has yet to be paid and ending on the date prior to the A-HTRUST Scheme Implementation Date	1 October 2019 to 30 December 2019
Performance fee	The period commencing on (and including) the first date of the relevant financial year or period in respect of which the performance fee has been accrued but has yet to be paid and ending on the date prior to the A-HTRUST Scheme Implementation Date	1 April 2019 to 30 December 2019 (for A-HTRUST REIT) and 1 October 2019 to 30 December 2019 (for A-HTRUST BT)

As such, the A-HTRUST Managers may direct that such fees be paid instead to the Ascott Reit-BT Managers after the A-HTRUST Scheme Implementation Date. If so, the Ascott Reit Manager and the Ascott BT Trustee-Manager (in its personal capacity) will elect to receive such fees in cash, Ascott Reit-BT Stapled Units or a combination of cash and Ascott Reit-BT Stapled Units.

²⁴ Based on the indicative timeline set out above, which, as noted, is indicative only and is subject to change at the Ascott Reit Manager’s absolute discretion as well as pursuant to applicable regulatory requirements.

In accordance with such directions and elections, the Ascott Reit Trustee and the Ascott BT Trustee-Manager (in its capacity as trustee-manager of Ascott BT) will pay such amount of fees to such recipient in a manner such that:

- (i) there is no double-counting of the relevant fees for the relevant period in respect of the Combined Entity; and
- (ii) the amount payable to the Ascott Reit-BT Managers shall not exceed the amount which would otherwise have been payable to the A-HTRUST Managers.

To this end, the Ascott Reit Trust Deed will be amended to reflect the foregoing arrangements with respect to accrued fees, as follows (the Ascott BT Trust Deed will have such provisions from the outset):

To insert the following provision in the Ascott Reit Trust Deed immediately after (the new) Clause 15.4 (Onshore Fees) of the Ascott Reit Trust Deed (with the subsequent clause to be renumbered accordingly):

“15.5 Accrued Fees

15.5.1 Terms defined in Clause 39.1 shall have the same meanings when used in this Clause 15.5. In addition, for the purposes of this Clause 15.5 only:

- (i) “**Base Fee**”, “**Financial Year**” and “**Performance Fee**” have the respective meanings given in the A-HTRUST REIT Trust Deed as at the A-HTRUST Scheme Implementation Date; and
- (ii) “**Relevant Fees**” means:
 - (a) the Base Fee for the period commencing on (and including) the first date of the relevant calendar quarter in respect of which the Base Fee has been accrued but has yet to be paid and ending on the date prior to the A-HTRUST Scheme Implementation Date; and
 - (b) the Performance Fee for the period commencing on (and including) the first date of the relevant Financial Year in respect of which the Performance Fee has been accrued but has yet to be paid and ending on the date prior to the A-HTRUST Scheme Implementation Date,

in each case, as computed in accordance with the A-HTRUST REIT Trust Deed and which would, but for this Clause 15.5, have otherwise been payable to the A-HTRUST REIT Manager.

15.5.2 Subject to the Ascott Reit Scheme and the A-HTRUST Scheme becoming effective in accordance with their respective terms, A-HTRUST REIT shall become a wholly-owned sub-trust of the Trust and the Manager shall become the manager of such enlarged Trust. Accordingly, subject to, and to the extent that, the A-HTRUST REIT Manager directs that the Relevant Fees be paid to the Manager:

- (i) the Trustee shall pay such amount of the Relevant Fees to the Manager;
- (ii) the Manager shall, pursuant to such directions, receive for its own account such amount of the Relevant Fees; and

- (iii) such amount of the Relevant Fees shall be issued in the form of cash, Ascott Reit-BT Stapled Units or any combination of cash and Ascott Reit-BT Stapled Units as the Manager may elect.

15.5.3 This Clause 15.5 shall lapse and have no further force or effect if either the Ascott REIT Scheme or the A-HTRUST Scheme does not become effective in accordance with its terms or lapses or is terminated in accordance with the Implementation Agreement.”

Ascott Reit Trustee

For the reasons set out above, the Ascott Reit Trustee has certified in writing pursuant to the Ascott Reit Trust Deed that the foregoing amendments with respect to onshore fees and accrued fees to the Ascott Reit Trust Deed do not materially prejudice the interests of the Ascott Reit Unitholders or (as the case may be) the Depositors (as defined in the Ascott Reit Trust Deed) and do not operate to release to any material extent the Ascott Reit Trustee or the Ascott Reit Manager from any responsibility to the Ascott Reit Unitholders or (as the case may be) the Depositors.

9.7 The Ascott Reit Scheme Meeting

9.7.1 Terms

The terms of the Ascott Reit Scheme are set out in **Appendix F** to this Composite Document.

9.7.2 Convening of the Ascott Reit Scheme Meeting

The manner in which the Ascott Reit Scheme Meeting will be convened, as ordered by the Court pursuant to an application made by the Ascott Reit Manager and the Ascott Reit Trustee under Order 80 of the Rules of Court, is set out in **Appendix G** to this Composite Document.

9.7.3 Notice of the Ascott Reit Scheme Meeting

The notice of the Ascott Reit Scheme Meeting is set out in **Appendix N** to this Composite Document. You are requested to take note of the date, time and venue of the Ascott Reit Scheme Meeting.

9.8 Implementation of the Ascott Reit Scheme

9.8.1 Application to Court for Sanction

Subject to the Conditions (other than the Conditions in relation to the grant of the order of the Court sanctioning the Ascott Reit Scheme and the A-HTRUST Scheme and such other Conditions as the Parties may agree) having been satisfied or waived in accordance with the Scheme Implementation Agreement, as the case may be, an application will be made to the Court by the Ascott Reit Manager to seek the grant of the order of the Court sanctioning the Ascott Reit Scheme (the “**Ascott Reit Scheme Court Order**”).

9.8.2 Procedure for Implementation

Subject to the Conditions having been satisfied or waived in accordance with the Scheme Implementation Agreement, as the case may be, the Ascott Reit Manager and the Ascott Reit Trustee will take the necessary steps to render the Ascott Reit Scheme effective and binding.

In the event the A-HTRUST Scheme does not come into effect in accordance with its terms for any reason whatsoever, the Proposed Ascott Reit Scheme Amendments will lapse and the Ascott Reit Scheme will not come into effect.

10. NEXT STEPS FOLLOWING THE COMPLETION OF THE COMBINATION

10.1 With respect to the Combination:

- (i) **investment mandate:** the present investment mandate of the Ascott Reit Group, as noted in **paragraph 1.2.1** of this Letter to Ascott Reit Unitholders, is to invest in real estate and real estate-related assets which are income-producing and which are used or predominantly used as, amongst other things, hospitality assets in any country in the world. This would encompass the present investment mandate of the A-HTRUST Group, which, as noted in **paragraph 1.3.1** of this Letter to Ascott Reit Unitholders, is similarly to invest in income-producing real estate used predominantly for hospitality purposes. Accordingly, the Ascott Reit Manager has no intention of expanding the investment mandate of Ascott Reit following the Combination, as it considers that there is no need to do so;
- (ii) **right of first refusal:** after the Combination, the agreement in relation to the right of first refusal granted by ALI, as sponsor of A-HTRUST, in favour of the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager dated 9 July 2012 (as amended) ("**A-HTRUST ROFR**") pursuant to which ALI had granted a right of first refusal to A-HTRUST in the event ALI wishes to dispose of certain assets which are subject to the A-HTRUST ROFR, will be novated by ALI to TAL, such that TAL becomes the obligor under the A-HTRUST ROFR. As arrangements with respect to rights of first refusals of this nature are customarily given by the sponsor of a REIT or business trust, such novation would ensure that TAL, as sponsor of the Combined Entity, would be the obligor under the A-HTRUST ROFR.

It should be noted that there are presently no assets which are subject to the A-HTRUST ROFR, nor does ALI have any present intention to acquire any such assets;

- (iii) **fee structure:** after the Combination, as A-HTRUST REIT and A-HTRUST BT will be wholly-owned, unlisted sub-trusts of Ascott Reit and Ascott BT, respectively, the A-HTRUST Trust Deeds will be amended to reflect provisions customary of a wholly-owned, unlisted sub-trust. In this regard, the fee structure of the A-HTRUST Group will be amended, such that fees which would otherwise have been payable to the A-HTRUST Managers (including base management fees, performance management fees, acquisition and divestment fees) will, instead, be payable to the Ascott Reit-BT Managers. Such fees are not materially different from the fee structure of the A-HTRUST Group as presently adopted and will, after the Combination, be based on the fee structure of the Ascott Reit Group presently adopted;
- (iv) **board of directors:** subject to further evaluation by the board of directors of the Ascott Reit Manager (the "**Ascott Reit Board**"), the Ascott Reit Manager has no intention to amend the present constitution of the Ascott Reit Board pursuant to the Combination;

- (v) **trustee and trustee-manager:** each of the A-HTRUST REIT Trustee and A-HTRUST BT Trustee-Manager will remain as trustee of the unlisted A-HTRUST REIT and A-HTRUST BT, as the case may be, immediately upon completion of the Combination;
- (vi) **real estate investment trust manager:** on or about completion of the Combination, the A-HTRUST REIT Manager will retire as manager of A-HTRUST REIT and the Ascott Reit Manager will be appointed as the manager of the unlisted A-HTRUST REIT, in each case, in accordance with the terms of the A-HTRUST REIT Trust Deed, such that the Ascott Reit Manager has control over the management of all of the assets held by Ascott Reit (whether directly or indirectly).

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

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

10.2 Ascott Reit's Strategy for the Combined Entity

The key objectives of the Ascott Reit Manager and, after the Combination, the Ascott BT Trustee-Manager will continue to be delivering stable and growing distributions to the Ascott Reit-BT Stapled Unitholders through the following strategies:

- (i) **Growth by acquisition:** Selectively acquiring properties that meet the Ascott Reit-BT Managers' investment criteria;
- (ii) **Active asset management of assets:** Actively managing the property portfolio of the Combined Entity to maximise returns through organic growth;
- (iii) **Unlocking value:** Seeking divestment opportunities for properties that have reached the optimal stage of their life cycle and redeploying divestment proceeds into higher yielding assets;
- (iv) **Prudent capital and risk management:** Employing appropriate capital financing and hedging strategies to manage interest rate and foreign exchange risks; and
- (v) **Leveraging sponsor:** Tapping on the expertise of TAL, as an owner-operator in the lodging industry, and leveraging its brands and operating platforms which include, amongst other things, sales network and digital initiatives.

11. GENERAL MANDATE FOR THE ISSUANCE OF NEW ASCOTT REIT-BT STAPLED UNITS

In connection with the Ascott Reit Scheme, the Ascott Reit Acquisition and the Proposed Issuance of the Consideration Units, the Ascott Reit Manager is seeking the approval of Ascott Reit Unitholders for a general mandate to issue new Ascott Reit-BT Stapled Units, such approval to be effective until the next annual general meeting of the Combined Entity. Such approval is being sought pursuant to Resolution 4. This will facilitate the issuance of any fees to be paid by way of Ascott Reit-BT Stapled Units to the Ascott Reit-BT Managers following the Combination, including the Acquisition Fee.

The number of Ascott Reit Units approved for issuance pursuant to the general mandate for the issuance of new Ascott Reit Units as approved by the Ascott Reit Unitholders at the annual general meeting of Ascott Reit Unitholders on 10 April 2019 (the “**Existing General Mandate**”) and, as at the Latest Practicable Date, the number of Ascott Reit Units issued pursuant to the Existing General Mandate and the outstanding number of Ascott Reit Units available for issuance pursuant to the Existing General Mandate is as follows:

	Fifty per cent (50%) limit	Twenty per cent (20%) limit
Approved at the annual general meeting of Ascott Reit Unitholders on 10 April 2019 ²⁵	1,086.3 million ²⁶	434.5 million ²⁶
Issued to the Ascott Reit Manager as payment of management fees	4.3 million	
Outstanding number of Ascott Reit Units available for issuance pursuant to the Existing General Mandate	1,082.0 million ²⁶	430.2 million ²⁶

The thresholds set out in **proviso (1) of Resolution 4** as set out in **Appendix M**, with respect to the aggregate number of Ascott Reit-BT Stapled Units which may be issued pursuant to Resolution 4 not exceeding 50 per cent. and 20 per cent. as more particularly described therein, will be calculated in accordance with the total number of issued Ascott Reit-BT Stapled Units of the Combined Entity immediately following the completion of the Combination (not of Ascott Reit prior to the completion of the Combination). Such thresholds of Ascott Reit Units and Ascott Reit-BT Stapled Units, calculated based on the Existing General Mandate and based on Resolution 4, are as follows:

	Fifty per cent (50%) limit	Twenty per cent (20%) limit
Existing General Mandate	1,086.3 million ²⁶	434.5 million ²⁶
Resolution 4 ⁷	1,543.2 million ²⁶	617.3 million ²⁶

Any Ascott Reit Units issued pursuant to the Existing General Mandate will not reduce the number of Ascott Reit-BT Stapled Units available for issuance pursuant to Resolution 4.

With respect to Ascott BT, a reciprocal approval will be sought by the Ascott BT Trustee-Manager from the existing unitholder of Ascott BT, being the Ascott Reit Trustee. Ascott Reit Unitholders, as incoming unitholders of Ascott BT pursuant to the Ascott Reit Scheme, will be deemed to have approved such approval by the Ascott Reit Trustee.

²⁵ As at 10 April 2019, the total number of Ascott Reit Units was 2,172.6 million.

²⁶ Subject to adjustments for (i) any new Ascott Reit Units arising from the conversion or exercise of any convertible securities or options which are outstanding or subsisting at the time such resolution was passed (i.e., 10 April 2019) and (ii) any subsequent bonus issue, consolidation or sub-division of Ascott Reit Units.

For the avoidance of doubt, Resolution 1, Resolution 2 and Resolution 3 and the Ascott Reit Scheme Resolution are not conditional on Resolution 4, being the approval of Ascott Reit Unitholders for the general mandate to issue new Ascott Reit-BT Stapled Units, being passed at the EGM.

12. PROPOSED UNIT ISSUE PRICE AMENDMENT

12.1 Proposed Unit Issue Price Amendment

The Ascott Reit Directors is seeking the approval of Ascott Reit Unitholders for the Proposed Unit Issue Price Amendment. Such approval is being sought pursuant to Resolution 5.

The present method of determination and proposed amendment thereto are set out as follows:

	Present determination	Proposed amendment
Reference	Volume weighted average price of an Ascott Reit Unit or Ascott Reit-BT Stapled Unit, as the case may be, for all trades on the SGX-ST	No change
Reference number of days	Five business days immediately preceding (and including) the date of issue of Ascott Reit Units	10 business days: <ul style="list-style-type: none"> • in respect of management fees (including base management fees and performance management fees), immediately preceding (and including) the last date of the relevant period in respect of which such fees are accrued or payable; and • in respect of acquisition or divestment fees, immediately preceding the date of completion of the relevant acquisition or divestment in respect of which such fees are accrued or payable

Please refer to **Appendix I** of this Composite Document which sets out the amendments proposed to be made to the Ascott Reit Trust Deed.

12.2 Rationale

The rationale for the Proposed Unit Issue Price Amendment is as follows:

- (i) currently, the price determination period ends immediately preceding the actual date of each unit issuance. This date varies and may not be the same date as:
 - (a) in the case of management fees, the date immediately preceding (and including) the last date of the relevant period in respect of which such fees are accrued or payable; or
 - (b) in the case of acquisition or divestment fees, the date immediately preceding the date of completion of the relevant acquisition or divestment in respect of which acquisition or divestment fees are accrued or payable.

Changing the price determination period to end on the last day of the relevant financial reporting period or the date of completion of the relevant acquisition or divestment would provide certainty as to the price determination period and, in turn, as to the number of units to be issued; and

- (ii) to align the price determination period with that of the other listed trusts in CapitaLand and its subsidiaries and sub-trusts, and with A-HTRUST.

12.3 Ascott Reit Unitholders' Approvals

The Proposed Unit Issue Price Amendment is subject to the approval of not less than 75 per cent. of the total number of votes held by the Ascott Reit Unitholders present and voting either in person or by proxy cast for and against the resolutions approving the Proposed Unit Issue Price Amendment at the EGM.

As the fees proposed to be amended pursuant to the Proposed Unit Issue Price Amendment are payable to the Ascott Reit Manager, the Ascott Reit Manager and its affiliates, being TAL and SCPL, will abstain from voting on the resolution approving the Proposed Unit Issue Price Amendment.

For the avoidance of doubt, Resolution 1, Resolution 2, Resolution 3 and Resolution 4 and the Ascott Reit Scheme Resolution are not conditional on Resolution 5, being the Proposed Unit Issue Price Amendment.

Similarly, Resolution 5 is not conditional on Resolution 1, Resolution 2, Resolution 3, Resolution 4 or the Ascott Reit Scheme Resolution.

13. IRREVOCABLE UNDERTAKINGS AND ASCOTT REIT DIRECTORS' INTENTION TO VOTE

13.1 Irrevocable Undertakings

TAL, SCPL and the Ascott Reit Manager have, on 8 August 2019, and ALI has, on 12 September 2019, given irrevocable undertakings to vote, or procure the voting of, the following number of Ascott Reit Units and A-HTRUST Stapled Units in which each such entity is a beneficial owner thereof or in respect of which such entities may otherwise become entitled to exercise all rights attaching thereto (including voting rights) in favour of Resolution 1 and the Ascott Reit Scheme Resolution or the proposed amendments to the A-HTRUST Trust Deeds to facilitate the implementation of the A-HTRUST Scheme (the "**A-HTRUST Trust Deeds Amendment Resolution**"), as the case may be:

CapitaLand Entity	Number of Ascott Reit Units or A-HTRUST Stapled Units (million)	% of Total Ascott Reit Units or A-HTRUST Stapled Units ²⁷
Ascott Reit Units		
TAL	476.2	21.9
SCPL	314.1	14.4
Ascott Reit Manager	189.6	8.7
A-HTRUST Stapled Units		
ALI	319.8	28.1

In addition, each of AHDF Pte Ltd ("**AHDF**") and Tang Yigang (a.k.a. Gordon Tang) ("**GT**") had, on 11 July 2019, executed irrevocable deeds of undertaking (together with the deeds of irrevocable undertaking given by the CapitaLand Entities, the "**Deeds of Irrevocable Undertaking**") to vote the following number of A-HTRUST Stapled Units in favour of the A-HTRUST Trust Deeds Amendment Resolution and the resolutions in relation to the A-HTRUST Scheme to be approved at the A-HTRUST Scheme Meeting:

Entity or Individual	Number of A-HTRUST Stapled Units (million)	% of Total A-HTRUST Stapled Units ²⁷
AHDF ²⁸	46.2	4.1
GT ²⁹	72.0	6.3

Each of the Deeds of Irrevocable Undertaking will terminate and be of no further force and effect on the earliest of the following events:

- (i) if the Ascott Reit Scheme or the A-HTRUST Scheme (as the case may be) becomes effective in accordance with its terms, the Effective Date;

²⁷ Calculated based on a total of approximately 2,176.8 million Ascott Reit Units or 1,137.7 million A-HTRUST Stapled Units, as the case may be, as at the Latest Practicable Date.

²⁸ As at the Latest Practicable Date, AHDF holds 46.2 million A-HTRUST Units, representing 4.1% of the total A-HTRUST Stapled Units.

²⁹ As at the Latest Practicable Date, GT holds 77.2 million A-HTRUST Units, representing 6.8% of the total A-HTRUST Stapled Units.

(ii) if the Scheme Implementation Agreement lapses or is terminated for any reason without the Ascott Reit Scheme or the A-HTRUST Scheme (as the case may be) becoming effective, the date on which the Scheme Implementation Agreement lapses or is terminated; and

(iii) 5.00 p.m. on 31 December 2019.

Other than ALI's unitholding interest in A-HTRUST, there is no significant relationship between, on the one hand, TAL and ALI (the sponsors of Ascott Reit and A-HTRUST, respectively) and AHDF or GT, on the other hand.

13.2 Ascott Reit Directors' Intention to Vote

All the Ascott Reit Directors (each of whom has a direct interest in Ascott Reit Units, as set out in **Appendix B, Part 2**) have informed the Ascott Reit Manager that they will vote in favour of all the resolutions proposed at the EGM and the Ascott Reit Scheme Meeting, save that, for purposes of good corporate governance, the non-Independent Directors will abstain from voting on Resolution 2, Resolution 3 and Resolution 5.

For the avoidance of doubt, Resolution 1, Resolution 2 and Resolution 3 and the Ascott Reit Scheme Resolution are not conditional on Resolution 4 or Resolution 5.

14. ASCOTT REIT AUDITORS OPINION

The Ascott Reit Manager has appointed the Ascott Reit Auditors to perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) "Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement", on the carrying value of the line items titled "**investment properties**" and "**property, plant and equipment**" set out in the balance sheet of the A-HTRUST Group, as reflected in the A-HTRUST FY2018/2019 Financial Statements, in respect of the real properties held by A-HTRUST as at 31 March 2019, as more particularly described in **Appendix H**. A reciprocal arrangement was undertaken by A-HTRUST on the carrying value of the real properties held by Ascott Reit as at 31 December 2018³⁰.

The intention in carrying out such audit is to give additional comfort to Ascott Reit Unitholders that such carrying values were stated, in all material respects, in accordance with the accounting policies of the A-HTRUST Group and that, accordingly, such real properties held by A-HTRUST were stated at fair values.

Pursuant to such audit, the Ascott Reit Auditors have delivered an audit opinion dated 26 September 2019 setting out its opinion that the Statement of Investment Properties and Freehold Land and Buildings of the A-HTRUST Group as at 31 March 2019 (as defined and set out in **Appendix H**), is prepared, in all material respects, in accordance with the basis of accounting policies specified in Note 2 of the Statement (the "**Ascott Reit Auditors Opinion**").

Please refer to **Appendix H** to this Composite Document for the Ascott Reit Auditors Opinion.

30 For this purpose, excluding Ascott Raffles Place Singapore, which has been divested by Ascott Reit.

15. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The Ascott Reit Manager has appointed the Ascott Reit IFA to advise:

- (i) the audit committee of the Ascott Reit Manager, comprising Mr. Sim Juat Quee Michael Gabriel, Mr. Zulkifli Bin Baharudin, Ms. Elaine Carole Young and Mr. Lim Cho Pin Andrew Geoffrey (the “**Audit Committee**”). As Mr. Lim Cho Pin Andrew Geoffrey is not an Independent Director, he has abstained from any and all decision making at any meeting of the Audit Committee with respect to the Ascott Reit Acquisition;
- (ii) the Ascott Reit Directors who are considered independent for the purposes of the Ascott Reit Acquisition, being Mr. Tan Beng Hai, Bob, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel and Ms. Elaine Carole Young (the “**Independent Directors**”); and
- (iii) the Ascott Reit Trustee,

as to whether the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders. For the avoidance of doubt, the Ascott Reit IFA is not opining on the Proposed Unit Issue Price Amendment.

A copy of the letter by the Ascott Reit IFA (the “**Ascott Reit IFA Letter**”), containing its advice in full, is set out in **Appendix A** and Ascott Reit Unitholders are advised to read the Ascott Reit IFA Letter carefully.

Based upon, and having considered, *inter alia*, the factors described in the Ascott Reit IFA Letter and the information that has been made available to the Ascott Reit IFA as at the Latest Practicable Date, the Ascott Reit IFA is of the opinion that as at the Latest Practicable Date, based on the pricing principle of the Combination, the A-HTRUST Scheme Consideration and the issue price of the Consideration Units, the A-HTRUST Stapled Units and the Consideration Units are both fairly valued and the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders. Accordingly, the Ascott Reit IFA advises the Audit Committee of the Ascott Reit Manager and the Ascott Reit Independent Directors to recommend that the independent Ascott Reit Unitholders **VOTE IN FAVOUR OF THE COMBINATION**.

16. STATEMENT OF THE AUDIT COMMITTEE

Based on the opinion of the Ascott Reit IFA as set out in the Ascott Reit IFA Letter in **Appendix A** and the rationale for the Combination as set out in **paragraph 3** of this Letter to Ascott Reit Unitholders, the Audit Committee is of the opinion that the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders.

As noted in **paragraph 15** of this Letter to Ascott Reit Unitholders, as Mr. Lim Cho Pin Andrew Geoffrey is not an Independent Director, he has abstained from any and all decision making at any meeting of the Audit Committee with respect to the Ascott Reit Acquisition.

17. RECOMMENDATIONS

17.1 Independent Directors' Recommendation on Resolution 2, Resolution 3 and Resolution 5

The Independent Directors have considered the relevant factors, including the terms of the Combination and the rationale for the Combination as set out in **paragraph 3** of this Letter to Ascott Reit Unitholders, as well as the Ascott Reit IFA's opinion as set out in the Ascott Reit IFA Letter in **Appendix A**, and recommend that Ascott Reit Unitholders **VOTE IN FAVOUR** of Resolution 2 and Resolution 3.

Further, the Independent Directors have considered the relevant factors, including the factors set out in **paragraph 12** of this Letter to Ascott Reit Unitholders, and recommend that Ascott Reit Unitholders **VOTE IN FAVOUR** of Resolution 5.

17.2 All Ascott Reit Directors' Recommendation on Resolution 1, Resolution 4 and Ascott Reit Scheme Resolution

All the Ascott Reit Directors have considered the relevant factors, including the terms of the Combination and the rationale for the Combination as set out in **paragraph 3** of this Letter to Ascott Reit Unitholders, and recommend that Ascott Reit Unitholders **VOTE IN FAVOUR** of Resolution 1 and the Ascott Reit Scheme Resolution.

Further, all the Ascott Reit Directors have considered the relevant factors, including the factors set out in **paragraph 11** of this Letter to Ascott Reit Unitholders, and recommend that Ascott Reit Unitholders **VOTE IN FAVOUR** of Resolution 4.

For the avoidance of doubt, Resolution 1, Resolution 2 and Resolution 3 and the Ascott Reit Scheme Resolution are not conditional on Resolution 4 or Resolution 5.

18. INTERESTS OF ASCOTT REIT CONCERT PARTY GROUP AND SUBSTANTIAL ASCOTT REIT UNITHOLDERS

Please refer to **Appendix B** to this Composite Document for details on the interests of (i) the Ascott Reit Manager, (ii) the Ascott Reit Trustee and (iii) members acting in concert with the Ascott Reit Manager and the Ascott Reit Trustee in relation to the Combination (the "**Ascott Reit Concert Party Group**"), including the Ascott Reit Directors, and the substantial Ascott Reit Unitholders.

Save as disclosed in this Composite Document, none of the Ascott Reit Directors or substantial Ascott Reit Unitholders has any interest, direct or indirect, in the Combination.

19. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Ascott Reit Manager in connection with the Combination or any other transactions contemplated in relation to the Combination.

20. ABSTENTIONS FROM VOTING

20.1 Ascott Reit Acquisition and Consideration Units

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

Accordingly, TAL, SCPL and the Ascott Reit Manager will abstain from voting (either in person or by proxy) on Resolution 2 and Resolution 3. Further, each of them shall decline to accept appointments as proxies in respect of Resolution 2 and Resolution 3, unless specific instructions as to voting are given.

Ascott Reit will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

For purposes of good corporate governance, the Ascott Reit Directors who are not Independent Directors (each of whom has a direct interest in Ascott Reit Units, as set out in **Appendix B, Part 2**), being Ms. Beh Siew Kim, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey, will abstain from voting on Resolution 2 and Resolution 3.

20.2 Proposed Unit Issue Price Amendment

As the fees proposed to be amended pursuant to the Proposed Unit Issue Price Amendment are payable to the Ascott Reit Manager, TAL, SCPL and the Ascott Reit Manager will abstain from voting on Resolution 5.

For purposes of good corporate governance, the Ascott Reit Directors who are not Independent Directors (each of whom has a direct interest in Ascott Reit Units, as set out in **Appendix B, Part 2**), being Ms. Beh Siew Kim, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey, will abstain from voting on Resolution 5.

21. ACTIONS TO BE TAKEN BY ASCOTT REIT UNITHOLDERS

Ascott Reit Unitholders will find enclosed in this Composite Document the Notice of EGM in **Appendix M**, the Notice of Ascott Reit Scheme Meeting in **Appendix N**, the Proxy Form for the EGM and the Proxy Form for the Ascott Reit Scheme Meeting.

21.1 EGM

If an Ascott Reit Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form (EGM) in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Unit Registrar**") and the Unit Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than Saturday, 19 October 2019 at 10.00 a.m., being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form (EGM) by an Ascott Reit Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of Resolution 2, Resolution 3 or Resolution 5 (such as the Ascott Reit Manager, TAL and SCPL) must decline to accept appointment as proxies unless the Ascott Reit Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolutions. If

an Ascott Reit Unitholder wishes to appoint the Ascott Reit Manager, TAL or SCPL as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolution.

21.2 Ascott Reit Scheme Meeting

An Ascott Reit Unitholder may appoint one (and not more than one) proxy to attend and vote at the Ascott Reit Scheme Meeting and may only cast all the votes he/she uses at the Ascott Reit Scheme Meeting in one way, namely either for or against the Ascott Reit Scheme Resolution proposed at the Ascott Reit Scheme Meeting.

If an Ascott Reit Unitholder is unable to attend the Ascott Reit Scheme Meeting and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form (Ascott Reit Scheme Meeting) in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar and the Unit Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than Saturday, 19 October 2019 at 11.00 a.m., being 48 hours before the time fixed for the Ascott Reit Scheme Meeting. The completion and return of the Proxy Form (Ascott Reit Scheme Meeting) by an Ascott Reit Unitholder will not prevent him from attending and voting in person at the Ascott Reit Scheme Meeting if he so wishes.

22. INFORMATION RELATING TO SRS AND CPF INVESTORS

22.1 SRS

Investors who have purchased Ascott Reit Units using their Supplementary Retirement Scheme (“**SRS**”) contributions pursuant to the SRS (the “**SRS Investors**”) should note that the Ascott Reit-BT Stapled Units **ARE** eligible under the SRS.

SRS Investors who wish to attend the EGM and/or the Ascott Reit Scheme Meeting are advised to consult the agent banks included under the SRS (the “**SRS Agent Banks**”) for further information and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

22.2 CPF

The Ascott Reit Manager had consulted with the Central Provident Fund (“**CPF**”) to consider whether the Ascott Reit-BT Stapled Units could be included under the CPF Investment Scheme (the “**CPFIS**”).

The Ascott Reit Manager is given to understand that as the Ascott Reit-BT Stapled Units would be stapled securities, which are not an asset class included under the CPFIS, CPF funds cannot be used to purchase Ascott Reit-BT Stapled Units.

However, CPF has confirmed that investors who have purchased Ascott Reit Units using their CPFIS contributions pursuant to the CPFIS and who are Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date (the “**CPF Investors**”) would be allowed to receive the Ascott Reit-BT Stapled Units pursuant to the Ascott Reit Scheme and could choose to hold or sell their Ascott Reit-BT Stapled Units after the Ascott Reit Scheme Implementation Date. CPF Investors are not required to sell their Ascott Reit-BT Stapled Units by reason only of their Ascott Reit Units being stapled with Ascott BT Units pursuant to the Ascott Reit Scheme.

Accordingly, CPF Investors should note that:

- (i) they WILL, pursuant to the Ascott Reit Scheme, become unitholders of a stapled Ascott Reit and Ascott BT. They could choose to hold or sell their Ascott Reit-BT Stapled Units after the Ascott Reit Scheme Implementation Date.

CPF Investors are not required to sell their Ascott Reit-BT Stapled Units by reason only of their Ascott Reit Units being stapled with Ascott BT Units pursuant to the Ascott Reit Scheme; and

- (ii) the Ascott Reit-BT Stapled Units ARE NOT eligible under the CPFIS. Accordingly, they CANNOT use their CPF funds to purchase new Ascott Reit-BT Stapled Units (for example, pursuant to a rights issue or otherwise) after the Ascott Reit Scheme Implementation Date.

However, should CPF Investors choose to do so, CPF Investors may use sources of funds (other than their CPFIS contributions) to purchase new Ascott Reit-BT Stapled Units (for example, pursuant to a rights issue or otherwise).

CPF had informed the Ascott Reit Manager to ensure that Ascott Reit Unitholders are duly informed of the matters set out in this **paragraph 22.2** of this Letter to Ascott Reit Unitholders.

23. TAX

Ascott Reit Unitholders and A-HTRUST Stapled Unitholders should consult their own tax advisors on the possible tax implications (if any) of the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition, the A-HTRUST Scheme or any other transactions contemplated by the Joint Announcement, this Composite Document or the Combination.

Depending on the individual circumstances of each Ascott Reit Unitholder and A-HTRUST Stapled Unitholder, including his, her or its tax residence and the size of his, her or its holdings in Ascott Reit or A-HTRUST, he, she or it may realise or be deemed under applicable tax laws, regulations and rules to realise a gain or loss arising from the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition, the A-HTRUST Scheme or any other transactions contemplated by the Joint Announcement, this Composite Document or the Combination which is taxable or, as the case may be, not permitted to be deductible in any applicable jurisdiction.

Without limitation to the foregoing:

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

As noted in **paragraph 9.3** of this Letter to Ascott Reit Unitholders, certain key matters with respect to the tax position of Ascott Reit-BT Stapled Unitholders are set out in **Appendix L** to this Composite Document.

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this Composite Document has been extracted from published or otherwise publicly available sources or obtained from the A-HTRUST Managers or its advisers or obtained from a named source, the sole responsibility of the Ascott Reit Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reflected or reproduced in this Composite Document in its proper form and context.

The Ascott Reit Directors do not accept any responsibility for any information relating to A-HTRUST and/or the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager or any opinion expressed by A-HTRUST and/or the A-HTRUST REIT Manager and/or the A-HTRUST BT Trustee-Manager.

25. RESPONSIBILITY STATEMENT OF THE FINANCIAL ADVISER

Citigroup Global Markets Singapore Pte. Ltd. is the financial adviser to the Ascott Reit Manager in relation to the Combination, the Ascott Reit Scheme and the A-HTRUST Scheme.

To the best of the Financial Adviser's knowledge and belief, save for the information set out in **paragraphs 5, 17, 18** and **24** of this Letter to Ascott Reit Unitholders and **Appendix A, Appendix B, Appendix H, Appendix J** and **Appendix K**, the information about the Combination contained in this Composite Document contains full and true disclosure of all material facts about the Combination, the Ascott Reit and its subsidiaries in relation to the Combination, and the Financial Adviser is not aware of any facts the omission of which would make any statement about the Combination in this Composite Document misleading.

26. CONSENTS

The Financial Adviser and HVS have given and have not withdrawn their written consent to the issue of this Composite Document with the inclusion of their names and all references thereto to their names in the form and context in which they appear in this Composite Document.

The Ascott Reit IFA has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its name, its report dated 30 July 2019 in respect of the Ascott Reit 1H 2019 Financial Results and the Ascott Reit IFA Letter and all references thereto and in the form and context in which they appear in this Composite Document.

The Ascott Reit Auditors has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its name, its report dated 30 July 2019 in respect of the Ascott Reit 1H 2019 Financial Results and the Ascott Reit Auditors Opinion and all references thereto and in the form and context in which they appear in this Composite Document.

Jones Lang LaSalle Property Consultants Pte Ltd/Jones Lang LaSalle Hotels & Hospitality Group have given and have not withdrawn their written consent to the issue of this Composite Document with the inclusion of their names and the market outlook of the A-HTRUST Properties and all references thereto and in the form and context in which they appear in this Composite Document.

27. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 10.00 a.m. to 5.00 p.m. at the registered office of the Ascott Reit Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912³¹ from the date of this Composite Document up to and including the date falling three months after the date of this Composite Document:

- (i) the Scheme Implementation Agreement;
- (ii) the Deeds of Irrevocable Undertakings;
- (iii) the Ascott BT Trust Deed and the Ascott Reit-BT Stapling Deed;
- (iv) the Ascott Reit IFA Letter as set out in **Appendix A**;
- (v) the Ascott Reit Auditors Opinion as set out in **Appendix H**;
- (vi) the Ascott Reit FY2018 Audited Financial Statements;
- (vii) the Ascott Reit 1H 2019 Financial Statements as set out in **Appendix J**;
- (viii) the valuation reports by HVS referred to in **paragraph 1.2.1** of this Letter to Ascott Reit Unitholders; and
- (ix) the written consents referred to in **paragraph 26** of this Letter to Ascott Reit Unitholders.

Yours faithfully,

Ascott Residence Trust Management Limited
(as manager of Ascott Residence Trust)

Mr. Tan Beng Hai, Bob
Chairman

³¹ Prior appointment with the Ascott Reit Manager is required. Please contact the Ascott Reit Investor Relations team (Tel: +65 6713 2888).

GLOSSARY

In this Composite Document, the following definitions apply throughout unless otherwise stated (for convenience, certain capitalised terms are also defined in the “**Letter to Ascott Reit Unitholders**” – however, the meanings given in this “**Glossary**” section shall prevail in the event of any inconsistency):

“ A-HTRUST ”	:	Ascendas Hospitality Trust
“ A-HTRUST BT ”	:	Ascendas Hospitality Business Trust (a business trust constituted on 13 March 2012 under the laws of the Republic of Singapore)
“ A-HTRUST BT Trust Deed ”	:	The Deed of Trust constituting A-HTRUST BT dated 13 March 2012 (as amended)
“ A-HTRUST BT Trustee-Manager ”	:	Ascendas Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of A-HTRUST BT
“ A-HTRUST BT Units ”	:	The issued and paid-up units in A-HTRUST BT
“ A-HTRUST Competing Offer ”	:	Has the meaning given in Appendix D, Part 4
“ A-HTRUST Court Order ”	:	The order of the Court sanctioning the A-HTRUST Scheme
“ A-HTRUST Directors ”	:	The directors of each of the A-HTRUST Managers, being Mr. Miguel Ko, Mr. Chia Kim Huat, Mr. Manohar Khatani, Mr. Tan Juay Hiang, Mr. Robert Hecker, Mr. Michael Issenberg, Ms. Deborah Lee Siew Yin, Mr. Patrick Lee Fook Yau and Mr. Willy Shee Ping Yah
“ A-HTRUST EGM ”	:	The extraordinary general meeting of A-HTRUST Stapled Unitholders to effect the amendments to the A-HTRUST Trust Deeds to facilitate the implementation of the A-HTRUST Scheme
“ A-HTRUST FY2018/2019 Financial Statements ”	:	The audited consolidated financial statements of A-HTRUST for FY2018/2019
“ A-HTRUST Group ”	:	A-HTRUST and its subsidiaries and sub-trusts, and each entity in the A-HTRUST Group, an “ A-HTRUST Group Entity ”
“ A-HTRUST IFA ”	:	Deloitte & Touche Corporate Finance Pte Ltd
“ A-HTRUST Managers ”	:	The A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager
“ A-HTRUST Material Adverse Effect ”	:	Has the meaning given in paragraph (7) of Appendix D, Part 1

“A-HTRUST Material Covenants”	:	Certain material undertakings given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement
“A-HTRUST Permitted Distributions”	:	Has the meaning given in paragraph 4.6 of the Letter to Ascott Reit Unitholders
“A-HTRUST Prescribed Occurrence”	:	Certain prescribed occurrences in relation to the A-HTRUST Group
“A-HTRUST Properties”	:	The properties of A-HTRUST
“A-HTRUST REIT”	:	Ascendas Hospitality Real Estate Investment Trust (a unit trust constituted on 13 March 2012 under the laws of the Republic of Singapore)
“A-HTRUST REIT Manager”	:	Ascendas Hospitality Fund Management Pte. Ltd., in its capacity as manager of A-HTRUST REIT
“A-HTRUST REIT Trust Deed”	:	The Deed of Trust constituting A-HTRUST REIT dated 13 March 2012 (as amended)
“A-HTRUST REIT Trustee”	:	Perpetual (Asia) Limited, in its capacity as trustee of A-HTRUST REIT
“A-HTRUST REIT Units”	:	The issued and paid-up units in A-HTRUST REIT
“A-HTRUST ROFR”	:	The agreement in relation to the right of first refusal granted by ALI, as sponsor of A-HTRUST, in favour of the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager dated 9 July 2012 (as amended)
“A-HTRUST Scheme”	:	The trust scheme of arrangement to effect the Ascott Reit Acquisition
“A-HTRUST Scheme Consideration”	:	With respect to each A-HTRUST Stapled Unit, the Cash Consideration and the Consideration Units
“A-HTRUST Scheme Document”	:	The document dated 26 September 2019 issued by the A-HTRUST Managers to the A-HTRUST Stapled Unitholders in relation to the Combination and the A-HTRUST Scheme
“A-HTRUST Scheme Entitlement Date”	:	The books closure date to determine the entitlements of the A-HTRUST Stapled Unitholders in respect of the A-HTRUST Scheme
“A-HTRUST Scheme Implementation Date”	:	The date on which the A-HTRUST Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date

“A-HTRUST Scheme Meeting”	:	The court sanctioned scheme meeting of A-HTRUST Stapled Unitholders to effect the A-HTRUST Scheme
“A-HTRUST Securities”	:	A-HTRUST Stapled Units or securities which carry voting rights in A-HTRUST, or convertible securities, warrants, options or derivatives in respect of the A-HTRUST Stapled Units or securities which carry voting rights in A-HTRUST
“A-HTRUST Stapled Unitholders”	:	Holders of A-HTRUST Stapled Units
“A-HTRUST Stapled Units”	:	The issued and paid-up stapled units in A-HTRUST
“A-HTRUST Stapling Deed”	:	The stapling deed dated 13 March 2012, as amended and restated by the First Amending and Restating Deed dated 23 July 2019 (as amended)
“A-HTRUST Superior Competing Offer”	:	Has the meaning given in Appendix D, Part 4
“A-HTRUST Termination Event”	:	Has the meaning given in Appendix D, Part 4
“A-HTRUST Trust Deeds”	:	The A-HTRUST REIT Trust Deed, the A-HTRUST BT Trust Deed and the A-HTRUST Stapling Deed
“A-HTRUST Trust Deeds Amendment Resolution”	:	The proposed amendments to the A-HTRUST Trust Deeds to facilitate the implementation of the A-HTRUST Scheme
“A-HTRUST Warranties”	:	The warranties given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement
“Acquisition Fee”	:	The acquisition fee payable to the Ascott Reit Manager in relation to the Combination
“Additional Ascott Reit Concert Parties”	:	Certain directors of CapitaLand and its subsidiaries and associates, other than those directors whose unitholdings had otherwise been disclosed in the Joint Announcement
“AHA FM”	:	Ascendas Hospitality Australia Fund Management Pty Limited
“AHDF”	:	AHDF Pte Ltd
“ALI”	:	Ascendas Land International Pte. Ltd.
“ALI Acquisition”	:	The acquisition by Ascott Reit of the A-HTRUST Stapled Units from ALI
“APL”	:	Ascendas Pte Ltd

“Ascott BT”	:	Ascott Business Trust (a business trust constituted on 9 September 2019 under the laws of the Republic of Singapore)
“Ascott BT Group”	:	Ascott BT and its subsidiaries
“Ascott BT Trust Deed”	:	The Deed of Trust constituting Ascott BT dated 9 September 2019 (as amended)
“Ascott BT Trustee-Manager”	:	Ascott Business Trust Management Pte. Ltd., in its capacity as trustee-manager of Ascott BT
“Ascott BT Unitholder”	:	Holders of Ascott BT Units
“Ascott BT Units”	:	The units in Ascott BT
“Ascott Reit”	:	Ascott Residence Trust (a unit trust constituted on 19 January 2006 under the laws of the Republic of Singapore). For the avoidance of doubt, for the purposes of this Composite Document, references to “Ascott Reit” refer to Ascott Residence Trust as presently constituted (not the Combined Entity)
“Ascott Reit Acquisition”	:	The acquisition by Ascott Reit of all the A-HTRUST Stapled Units
“Ascott Reit Auditors”	:	KPMG LLP
“Ascott Reit Auditors Opinion”	:	The audit opinion of the Ascott Reit Auditors dated 26 September 2019, set out in Appendix H to this Composite Document
“Ascott Reit Board”	:	The board of directors of the Ascott Reit Manager
“Ascott Reit Concert Party Group”	:	(i) The Ascott Reit Manager, (ii) the Ascott Reit Trustee and (iii) members acting in concert with the Ascott Reit Manager and the Ascott Reit Trustee in relation to the Combination
“Ascott Reit Directors”	:	The directors of the Ascott Reit Manager, being Mr. Tan Beng Hai, Bob, Ms. Beh Siew Kim, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel, Ms. Elaine Carole Young, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey
“Ascott Reit FY2018 Financial Statements”	:	The audited consolidated financial statements of Ascott Reit for FY2018
“Ascott Reit Group”	:	Ascott Reit and its subsidiaries, and each entity in the Ascott Reit Group, an “Ascott Reit Group Entity”

“Ascott Reit IFA”	:	Australia and New Zealand Banking Group Limited, Singapore Branch
“Ascott Reit IFA Letter”	:	The letter from the Ascott Reit IFA to the Audit Committee and the Independent Directors and to the Ascott Reit Trustee in relation to the Combination
“Ascott Reit ISIN Code”	:	The ISIN code of Ascott Reit, being SG1T08929278
“Ascott Reit Manager”	:	Ascott Residence Trust Management Limited, in its capacity as manager of Ascott Reit
“Ascott Reit Material Adverse Effect”	:	Has the meaning given in paragraph (7) of Appendix D, Part 1
“Ascott Reit Material Covenants”	:	Certain material undertakings given by the Ascott Reit Trustee or the Ascott Reit Manager in the Scheme Implementation Agreement
“Ascott Reit Permitted Distributions”	:	Has the meaning given in paragraph 4.6 of the Letter to Ascott Reit Unitholders
“Ascott Reit Prescribed Occurrence”	:	Certain prescribed occurrences in relation to the Ascott Reit Group
“Ascott Reit Scheme”	:	The trust scheme of arrangement in relation to the stapling of Ascott Reit to Ascott BT
“Ascott Reit Scheme Court Order”	:	The order of the Court sanctioning the Ascott Reit Scheme under Order 80 of the Rules of Court
“Ascott Reit Scheme Entitlement Date”	:	The books closure date to determine the entitlements of the Ascott Reit Unitholders in respect of the Ascott Reit Scheme
“Ascott Reit Scheme Implementation Date”	:	The date on which the Ascott Reit Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date
“Ascott Reit Scheme Meeting”	:	The court sanctioned scheme meeting of Ascott Reit Unitholders to effect the Ascott Reit Scheme
“Ascott Reit Scheme Meeting Court Order”	:	The order of the Court approving the convening of the Ascott Reit Scheme Meeting under Order 80 of the Rules of the Court

“Ascott Reit Scheme Resolution”	:	Subject to Resolution 1 having been approved, the approval for all the Ascott BT Units to be distributed <i>in specie</i> to the Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date and for the stapling of each Ascott BT Unit to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit, at the Ascott Reit Scheme Meeting
“Ascott Reit Securities”	:	Ascott Reit Units or securities which carry voting rights in Ascott Reit, or convertible securities, warrants, options or derivatives in respect of the Ascott Reit Units or securities which carry voting rights in Ascott Reit
“Ascott Reit Termination Event”	:	Has the meaning given in Appendix D, Part 4
“Ascott Reit Trust Deed”	:	The Deed of Trust constituting Ascott Reit dated 19 January 2006 (as amended)
“Ascott Reit Trustee”	:	DBS Trustee Limited, in its capacity as trustee of Ascott Reit
“Ascott Reit Unitholders”	:	Holders of Ascott Reit Units
“Ascott Reit Units”	:	The units in Ascott Reit
“Ascott Reit Warranties”	:	The warranties given by the Ascott Reit Trustee or the Ascott Reit Manager in the Scheme Implementation Agreement
“Ascott Reit 1H 2019 Financial Statements”	:	The unaudited consolidated financial statements of Ascott Reit for 1H 2019
“Ascott Reit-BT Managers”	:	The Ascott Reit Manager and the Ascott BT Trustee-Manager
“Ascott Reit-BT Stapled Units”	:	The units in a stapled Ascott Reit and Ascott BT
“Ascott Reit-BT Stapled Unitholders”	:	Holders of Ascott Reit-BT Stapled Units
“Ascott Reit-BT Stapling Deed”	:	The stapling deed dated 9 September 2019 (as amended)
“Audit Committee”	:	The audit committee of the Ascott Reit Manager, comprising Mr. Sim Juat Quee Michael Gabriel, Mr. Zulkifli Bin Baharudin, Ms. Elaine Carole Young and Mr. Lim Cho Pin Andrew Geoffrey. For the avoidance of doubt, as Mr. Lim Cho Pin Andrew Geoffrey is not an Independent Director, he has abstained from any and all decision making at any meeting of the Audit Committee with respect to the Ascott Reit Acquisition

“Break Fee”	:	The payment of S\$12,350,000, being an amount equal to 1% of the aggregate A-HTRUST Scheme Consideration (rounded down to the nearest S\$10,000), by the A-HTRUST REIT Trustee and A-HTRUST BT Trustee-Manager to the Ascott Reit Trustee
“BTA”	:	Business Trusts Act (Cap. 31A of Singapore)
“Business Day”	:	A day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore for the transaction of normal banking business
“CapitaLand”	:	CapitaLand Limited
“CapitaLand Entities”	:	TAL, SCPL and the Ascott Reit Manager
“Cash Consideration”	:	With respect to each A-HTRUST Stapled Unit, S\$0.0543 in cash
“CDP”	:	The Central Depository (Pte) Limited
“CFL”	:	CapitaLand Financial Limited
“Chairman”	:	The chairman of the EGM or the Ascott Reit Scheme Meeting, as the case may be
“CLA”	:	CLA Real Estate Holdings Pte. Ltd. (f.k.a. Ascendas–Singbridge Pte. Ltd.)
“CMS Licence”	:	Capital Market Services Licence for REIT Management
“Code”	:	The Singapore Code on Take-overs and Mergers
“Combination”	:	The proposed combination of Ascott Reit and A-HTRUST by way of a trust scheme of arrangement
“Combined Entity”	:	The stapled Ascott Reit and Ascott BT
“Composite Document”	:	This composite document dated 26 September 2019
“Conditions”	:	The conditions set out in Appendix D, Part 1 to this Composite Document
“Consideration Unit”	:	With respect to each A-HTRUST Stapled Unit, 0.7942 Ascott Reit-BT Stapled Units
“Court”	:	High Court of the Republic of Singapore
“CPF”	:	Central Provident Fund

“CPF Investors”	:	Investors who have purchased Ascott Reit Units using their CPFIS contributions pursuant to the CPFIS and who are Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date
“CPFIS”	:	CPF Investment Scheme
“Deeds of Irrevocable Undertakings”	:	The deeds of irrevocable undertaking given by the CapitaLand Entities, AHDF and GT
“DPU”	:	Distribution per Ascott Reit Unit or Ascott Reit-BT Stapled Unit, as the case may be
“EBITDA”	:	Earnings before interest, tax, depreciation and amortisation
“Effective Date”	:	Has the meaning given in paragraph 4.4 of the Letter to Ascott Reit Unitholders
“EGM”	:	The extraordinary general meeting of Ascott Reit Unitholders to seek the approval of Ascott Reit Unitholders for Resolution 1, Resolution 2, Resolution 3, Resolution 4 and Resolution 5
“Encumbrance”	:	With respect to any asset or real property: <ul style="list-style-type: none"> (a) any charge, claim, hypothecation, lien, mortgage, power of sale, retention of title, or security interest of any kind over and in respect of such asset or real property; and (b) any right of pre-emption, first offer, first refusal, tag-along or drag-along of any kind to which any such asset or real property is subject or any right or option for the sale or purchase of any such asset or real property, and any other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing
“Estimated Total Transaction Costs”	:	The estimated total cost of the Combination
“Existing General Mandate”	:	The general mandate for the issuance of new Ascott Reit Units as approved by the Ascott Reit Unitholders at the annual general meeting of Ascott Reit Unitholders on 10 April 2019
“Extraordinary Resolution”	:	A resolution proposed and passed as such by a majority consisting of 75 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Ascott Reit Unitholders

“Financial Adviser” or “Citi”	:	Citigroup Global Markets Singapore Pte. Ltd.
“FY2018/2019”	:	The financial year ended 31 March 2019
“FY2018”	:	The financial year ended 31 December 2018
“GT”	:	Tang Yigang (a.k.a. Gordon Tang)
“Hotel Managers”	:	Hotel managers of the Hotels under Management Contracts
“Hotels under Lease”	:	Hotels which are under a lease arrangement, being Park Hotel Clarke Quay, Hotel Sunroute Ariake, Sotetsu Grand Fresa Osaka-Namba (formerly known as Hotel Sunroute Osaka Namba), The Splaisir Seoul Dongdaemun, ibis Ambassador Seoul Insadong, Hotel WBF Kitasemba East, Hotel WBF Kitasemba West and Hotel WBF Honmachi
“Hotels under Management Contracts”	:	Hotels which are under a management contract arrangement, being Pullman Sydney Hyde Park, Novotel Sydney Central, Novotel Sydney Parramatta, Courtyard by Marriott Sydney-North Ryde, Pullman and Mercure Melbourne Albert Park and Pullman and Mercure Brisbane King George Square
“Independent Directors”	:	The Ascott Reit Directors who are considered independent for the purposes of the Ascott Reit Acquisition, being Mr. Tan Beng Hai, Bob, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel and Ms. Elaine Carole Young.
“Instruments”	:	Offers, agreements or options that might or would require Ascott Reit-BT Stapled Units to be issued
“Joint Announcement”	:	The joint announcement released on 3 July 2019 by the Ascott Reit Manager and the A-HTRUST Managers titled “Proposed Combination of Ascott Residence Trust and Ascendas Hospitality Trust by way of a Trust Scheme of Arrangement”
“Joint Announcement Date”	:	The date on which the Joint Announcement was released
“Latest Practicable Date”	:	12 September 2019, being the latest practicable date prior to the printing of this Composite Document
“Latest Trading Date”	:	2 July 2019, being the latest trading date prior to the date of the Joint Announcement
“Lessees”	:	Master lessees of the Hotels under Lease
“Listing Manual”	:	The listing manual of the SGX-ST

“Long-Stop Date”	:	31 December 2019 (or such other date as the Parties may agree in writing)
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities
“Management Fees”	:	Part of the fees payable to the Ascott Reit Manager, which will be paid to nominated entities of the Ascott Reit Manager, pursuant to the Proposed Onshore Fees Arrangement
“MAS”	:	Monetary Authority of Singapore
“NAV”	:	Net asset value
“Notice”	:	The notice convening the Ascott Reit Scheme Meeting
“NTA”	:	Net tangible asset value
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 50 per cent. of the total number of votes cast for and against such resolution at a meeting of Ascott Reit Unitholders
“Parties”	:	The parties to the Scheme Implementation Agreement, being the Ascott Reit Trustee, the Ascott Reit Manager, the A-HTRUST REIT Trustee and the A-HTRUST Managers
“Property Funds Appendix”	:	Appendix 6 to the Code on Collective Investment Schemes issued by the MAS
“Proposed Ascott Reit Scheme Amendments”	:	The proposed amendments to the Ascott Reit Trust Deed to include, among other things, provisions to facilitate the implementation of the Ascott Reit Scheme, as set out in Appendix E to this Composite Document
“Proposed Issuance Of the Consideration Units”	:	The proposed allotment and issuance of new Ascott Reit-BT Stapled Units to the A-HTRUST Stapled Unitholders as part of the consideration for the Combination, as more particularly described in the Notice of Extraordinary General Meeting set out in Appendix M to this Composite Document
“Proposed Onshore Fees Arrangement”	:	The proposed arrangements pursuant to which part of the fees payable to the Ascott Reit Manager will be paid to nominated entities of the Ascott Reit Manager in certain jurisdictions, as more particularly described in paragraph 9.6 of the Letter to Ascott Reit Unitholders

“Proposed Unit Issue Price Amendment”	:	The proposed amendments to the Ascott Reit Trust Deed in relation to the reference period for the determination of the price at which to issue units as payment of fees, as set out in Appendix I to this Composite Document
“PUP”	:	The Ascott Reit Manager’s Performance Unit Plan
“Registered Business Trusts”	:	Business trusts registered with the MAS
“REIT”	:	Real estate investment trust
“Relevant Date”	:	The date falling on the Business Day immediately preceding the Effective Date
“Resolution 1”	:	The approval to amend the Ascott Reit Trust Deed to include, among other things, the Proposed Ascott Reit Scheme Amendments at the EGM
“Resolution 2”	:	Subject to Resolution 1 and the Ascott Reit Scheme Resolution having been approved, the approval for the Ascott Reit Acquisition at the EGM
“Resolution 3”	:	Subject to Resolutions 1 and 2 and the Ascott Reit Scheme Resolution having been approved, the approval for the Proposed Issuance of the Consideration Units at the EGM
“Resolution 4”	:	Subject to Resolutions 1, 2 and 3 and the Ascott Reit Scheme Resolution having been approved, the approval for the general mandate for the issuance of new Ascott Reit-BT Stapled Units, including the Acquisition Fee, at the EGM
“Resolution 5”	:	The approval for the Proposed Unit Issue Price Amendment at the EGM
“Reverse Break Fee”	:	The payment of S\$12,350,000, being an amount equal to 1% of the aggregate A-HTRUST Scheme Consideration (rounded down to the nearest S\$10,000), by the Ascott Reit Trustee to the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager
“RUP”	:	The Ascott Reit Manager’s Restricted Unit Plan
“RUP Award”	:	The awards pursuant to the RUP
“S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore

“Scheme Implementation Agreement”	:	The implementation agreement dated 3 July 2019 entered into between the Parties setting out the terms and conditions on which the Combination will be implemented, as amended and restated on 9 September 2019 to reflect certain amendments and restatements agreed by the Parties, and as may be amended from time to time
“SCPL”	:	Somerset Capital Pte Ltd
“Securities Act”	:	U.S. Securities Act of 1933 (as amended)
“SFA”	:	Securities and Futures Act (Cap. 289 of Singapore)
“SFRS(I)”	:	Singapore Financial Reporting Standards (International)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SIC”	:	Securities Industry Council
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Ascott Reit Units using their SRS contributions pursuant to the SRS
“TAL”	:	The Ascott Limited
“Temasek”	:	Temasek Holdings (Private) Limited
“Transaction Costs”	:	The estimated professional and other fees and expenses incurred or to be incurred by the Combined Entity in connection with the Combination
“Unit Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“%”	:	Per centum or percentage
“1H 2019”	:	The six-month period ended 30 June 2019

All capitalised terms used and not defined in this Composite Document shall have the same meanings given to them in the Scheme Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the Ascott Reit Manager in Singapore from the date of this Composite Document up to and including the date falling three months after the date of this Composite Document.

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 Composite Document 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 Composite Document 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.

For the avoidance of doubt, any and all references to the “**Ascott Reit Acquisition**” and the “**Combination**” refer to one and the same transaction – the Combination – save that the term “**Ascott Reit Acquisition**” is intended to refer, specifically, to the Combination in the context of it being an interested person transaction and major transaction with respect to Ascott Reit.

This page has been intentionally left blank.

APPENDIX A: INDEPENDENT FINANCIAL ADVISER'S LETTER
INDEPENDENT FINANCIAL ADVISER'S LETTER

Australia and New Zealand Banking Group Limited, Singapore Branch
(Incorporated in Australia)
Australian Company Number: 005357522

26 September 2019

The Independent Directors and the Audit Committee, of
Ascott Residence Trust Management Limited (as Manager of Ascott Residence Trust)
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

DBS Trustee Limited
(as Trustee of Ascott Residence Trust)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE WITH RESPECT TO:

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

*For the purpose of this letter ("**Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the composite document dated 26 September 2019 to the Ascott Reit Unitholders (the "**Composite Document**").*

1. INTRODUCTION

1.1 Overview of the Combination

On 3 July 2019, the respective boards of directors of Ascott Residence Trust Management Limited, as manager of Ascott Residence Trust ("**Ascott Reit**", and the manager of Ascott Reit, the "**Ascott Reit Manager**"), Ascendas Hospitality Fund Management Pte. Ltd., as manager of Ascendas Hospitality Real Estate Investment Trust ("**A-HTRUST REIT**", and the manager of A-HTRUST REIT, the "**A-HTRUST REIT Manager**") and Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust ("**A-HTRUST BT**", and the trustee-manager of A-HTRUST BT, the "**A-HTRUST BT Trustee-Manager**" and the A-HTRUST BT Trustee-Manager together with the A-HTRUST REIT Manager, the "**A-HTRUST Managers**") jointly announced the proposed combination of Ascott Reit and Ascendas Hospitality Trust ("**A-HTRUST**") (the "**Combination**").

The Combination is to be effected through the acquisition by Ascott Reit (the “**Ascott Reit Acquisition**”) of all the issued and paid-up stapled units in A-HTRUST (“**A-HTRUST Stapled Units**”) by way of a trust scheme of arrangement (the “**A-HTRUST Scheme**”) for a consideration of S\$1.0868 for each A-HTRUST Stapled Unit (the “**A-HTRUST Scheme Consideration**”). The A-HTRUST Scheme Consideration comprises S\$0.0543 in cash and 0.7942 units (the “**Ascott Reit-BT Stapled Units**”) in a stapled Ascott Reit and Ascott Business Trust (the “**Ascott BT**”) issued at a price of S\$1.30 each¹. The A-HTRUST Scheme Consideration is based on a gross exchange ratio of 0.836x, which was derived from the audited net asset value for each A-HTRUST Stapled Unit as at 31 March 2019 of S\$1.02 divided by the audited net asset value for each Ascott Reit Unit as at 31 December 2018 of S\$1.22.

By way of illustration, if the Combination becomes effective in accordance with its terms, a holder of A-HTRUST Stapled Units (“**A-HTRUST Stapled Unitholder**”) will receive S\$54.30 in cash and 794 Ascott Reit-BT Stapled Units for every 1,000 A-HTRUST Stapled Units held by him/her as at the books closure date to determine the entitlements of the A-HTRUST Stapled Unitholders in respect of the A-HTRUST Scheme (the “**A-HTRUST Scheme Entitlement Date**”)².

1.2 Information on Ascott Reit and the Ascott Reit Manager

1.2.1 Ascott Reit

Ascott Reit is Singapore’s first and largest hospitality real estate investment trust with an asset size of S\$5.5 billion as at 30 June 2019. It has been listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since March 2006.

Ascott Reit was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used as serviced residences, rental housing properties and other hospitality assets.

As at 3 July 2019, the date of the Joint Announcement (the “**Joint Announcement Date**”), Ascott Reit’s international portfolio comprised 74 properties with over 11,700 units in 37 cities across 14 countries in Asia Pacific, Europe and the United States of America³.

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

¹ The issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit was determined by reference to the five-business day volume weighted average price of the Ascott Reit Units on 28 June 2019.

² For further details on the A-HTRUST Scheme Consideration, including as to the rounding of the aggregate Cash Consideration to be paid and number of Consideration Units to be issued to each A-HTRUST Stapled Unitholder, please refer to **paragraph 4.10** of the Letter to Ascott Reit Unitholders.

³ These figures include the development of lyf one-north Singapore.

Ascott Reit Group	Information (S\$ million)
Net asset value ⁽¹⁾ (“NAV”)	2,644.1
Net tangible asset value (“NTA”)	
Net profits before tax	195.4
Total assets	5,309.1
Aggregate valuation of portfolio ⁽²⁾	4,942.9

Notes:

- (1) For the purposes of the Letter to Ascott Reit Unitholders and the Composite Document, all references to “NAV” or “NTA” of the Ascott Reit Group excludes funds represented by perpetual securities and non-controlling interests.
- (2) The valuations were carried out by Colliers International as at 31 December 2018 based on a discounted cash flow approach, which is in line with market practice.

On 30 July 2019, Ascott Reit announced its financial results for the six-month period ended 30 June 2019 (the “**Ascott Reit 1H 2019 Financial Statements**”), which was reported on by KPMG LLP (the “**Ascott Reit Auditors**”) and Australia and New Zealand Banking Group Limited, Singapore Branch (the “**Ascott Reit IFA**”) in accordance with Rule 25.6 of The Singapore Code on Take-overs and Mergers (the “**Code**”). Such results, together with such reports, are set out in **Appendix J** to the Composite Document. Concurrent with the release of such results, on 30 July 2019, Ascott Reit announced that it had obtained half-yearly desktop valuations for its properties, which valuation is available on the SGXNET.

1.2.2 Ascott Reit Manager and Ascott BT Trustee-Manager

Ascott Reit is managed by the Ascott Reit Manager. The Ascott Reit Manager holds a Capital Market Services Licence for Real Estate Investment Trust (“**REIT**”) Management (“**CMS Licence**”) pursuant to the Securities and Futures Act (Cap. 289 of Singapore) (“**SFA**”).

On 9 September 2019, Ascott Reit established a wholly-owned business trust, the Ascott BT. The trustee of Ascott BT is Ascott Business Trust Management Pte. Ltd. (the “**Ascott BT Trustee-Manager**” and, together with the Ascott Reit Manager, the “**Ascott Reit-BT Managers**”). After the registration of Ascott BT as a registered business trust under the Business Trusts Act (Cap. 31A of Singapore) (“**BTA**”), the trustee-manager of Ascott BT will be the Ascott BT Trustee-Manager.

Each Ascott Reit-BT Manager is a wholly-owned subsidiary of CapitaLand Limited (“**CapitaLand**”).

As at 12 September 2019, being the latest practicable date prior to the printing of the Composite Document (the “**Latest Practicable Date**” or “**LPD**”):

- (i) the board of directors of the Ascott Reit Manager comprises the following persons: Mr. Tan Beng Hai, Bob, Ms. Beh Siew Kim, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel, Ms. Elaine Carole Young, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey; and

- (ii) the board of directors of the Ascott BT Trustee-Manager comprises Ms. Beh Siew Kim. On or prior to the registration of Ascott BT as a registered business trust under the BTA, the following persons shall be appointed on the board of directors of the Ascott BT Trustee-Manager, such that the boards of the Ascott Reit-BT Managers comprise the same persons: Mr. Tan Beng Hai, Bob, Mr. Zulkifli Bin Baharudin, Mr. Sim Juat Quee Michael Gabriel, Ms. Elaine Carole Young, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey.

For the rationale for establishing the Ascott BT, please refer to **paragraph 9.1** of the Letter to Ascott Reit Unitholders.

1.3 Information on A-HTRUST, A-HTRUST REIT Manager and A-HTRUST BT Trustee-Manager

1.3.1 A-HTRUST

A-HTRUST is a stapled group comprising A-HTRUST REIT and A-HTRUST BT, established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes, as well as real estate-related assets in connection with the foregoing.

A-HTRUST was listed on the SGX-ST on 27 July 2012. Each unit in A-HTRUST REIT (“**A-HTRUST REIT Unit**”) is stapled to one unit in A-HTRUST BT (“**A-HTRUST BT Unit**”) under the terms of a stapling deed dated 13 March 2012 (as amended) (the “**A-HTRUST Stapling Deed**”).

As at the Joint Announcement Date, A-HTRUST’s portfolio comprised 14 properties (“**A-HTRUST Properties**”) with over 4,700 rooms in seven cities across four countries in the Asia Pacific region. A summary of the A-HTRUST Properties is set out in **Appendix K** to the Composite Document.

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

A-HTRUST Group	Information (S\$ million)
NAV	1,153.6
NTA	
Net profits before tax	98.6
Total assets	1,938.4
Aggregate valuation of portfolio ⁽¹⁾	1,822.5

Notes:

- (1) The valuations were carried out by, in respect of:
- (i) the Australia portfolio, Cushman & Wakefield (Valuations) Pty Ltd;
 - (ii) the Japan portfolio, JLL Morii Valuation & Advisory K.K.;
 - (iii) the South Korea portfolio, CBRE Korea Co., Ltd.; and
 - (iv) the Singapore portfolio, CBRE Pte. Ltd.,

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

In addition, at the annual general meeting of A-HTRUST on 10 July 2019, the A-HTRUST Stapled Unitholders approved the amendment to the A-HTRUST REIT Trust Deed dated 13 March 2012 (as amended) (the “**A-HTRUST REIT Trust Deed**”) and the A-HTRUST BT Trust Deed dated 13 March 2012 (as amended) (the “**A-HTRUST BT Trust Deed**”) and, together with the A-HTRUST REIT Trust Deed, the “**A-HTrust Trust Deeds**”) to reflect the change to the financial year end of A-HTRUST REIT and A-HTRUST BT, respectively, from 31 March to 31 December. Accordingly, the current financial year of A-HTRUST will be a nine-month period from 1 April 2019 to 31 December 2019 and thereafter, the financial year of A-HTRUST REIT and A-HTRUST BT will be a 12-month period ending 31 December of each such year.

On 1 August 2019, A-HTRUST announced its financial results for the financial quarter ended 30 June 2019, which was reported on by Ernst & Young LLP and Deloitte & Touche Corporate Finance Pte Ltd (the latter being the “**A-HTRUST IFA**”) in accordance with Rule 25.6 of the Code. Such results, together with such reports, are set out in the document dated 26 September 2019 issued by the A-HTRUST Managers to the A-HTRUST Stapled Unitholders in relation to the Combination and the A-HTRUST Scheme (the “**A-HTRUST Scheme Document**”).

The Ascott Reit Manager has also commissioned Jones Lang LaSalle Property Consultants Pte Ltd / Jones Lang LaSalle Hotels & Hospitality Group to produce a report on the market outlook of the A-HTRUST Properties. Please refer to **Appendix K** to the Composite Document for further details.

1.3.2 A-HTRUST REIT Manager and A-HTRUST BT Trustee-Manager

A-HTRUST REIT is managed by the A-HTRUST REIT Manager and A-HTRUST BT is managed by the A-HTRUST BT Trustee-Manager. Each A-HTRUST Manager is a wholly-owned subsidiary of CapitalLand. The A-HTRUST REIT Manager holds a CMS Licence for REIT Management pursuant to the SFA.

As at the Latest Practicable Date, the board of directors of each of the A-HTRUST Managers comprises the following (“**A-HTRUST Directors**”):

- (i) Mr. Miguel Ko (Chairman and Non-Executive Director);
- (ii) Mr. Chia Kim Huat (Independent Director);
- (iii) Mr. Manohar Khiatani (Non-Executive Director);
- (iv) Mr. Tan Juay Hiang (Chief Executive Officer);
- (v) Mr. Robert Hecker (Independent Director);
- (vi) Mr. Michael Issenberg (Non-Executive Director);
- (vii) Ms. Deborah Lee Siew Yin (Independent Director);
- (viii) Mr. Patrick Lee Fook Yau (Independent Director); and
- (ix) Mr. Willy Shee Ping Yah (Independent Director).

1.4 Information on the Combined Entity

The stapled Ascott Reit and Ascott BT (the “**Combined Entity**”) will be named “Ascott Residence Trust” and Ascott Reit will be renamed “Ascott Real Estate Investment Trust”. As noted in **paragraph 1.1** of the Letter to Ascott Reit Unitholders, Ascott BT is named “**Ascott Business Trust**”⁴.

For further information on the stapling of Ascott Reit and Ascott BT, please refer to **paragraph 9** of the Letter to Ascott Reit Unitholders. Details on the Combined Entity following the completion of the Combination can be found in **paragraph 10** of the Letter to Ascott Reit Unitholders and **Appendix C, Part 2** to the Composite Document.

The unitholding percentages of CapitaLand and certain of its wholly-owned subsidiaries (“**CapitaLand Entities**”) in each of Ascott Reit and A-HTRUST and (immediately upon completion of the Combination, on the bases and assumptions set out in the Composite Document) the Combined Entity as at the Joint Announcement Date are set out as follows:

CapitaLand Entities	Ascott Reit (%)⁵	A-HTRUST (%)⁶	Combined Entity (%)⁷
The Ascott Limited (“ TAL ”)	21.9	-	15.4
Somerset Capital Pte Ltd (“ SCPL ”)	14.4	-	10.2
Ascott Reit Manager	8.6	-	6.4
Ascendas Land International Pte. Ltd. (“ ALI ”)	-	28.0	8.2
Total	45.0	28.0	40.2

The structure of the Combined Entity, the Ascott Reit Trustee, the Ascott Reit Manager and the Ascott BT Trustee-Manager is set out as follows:

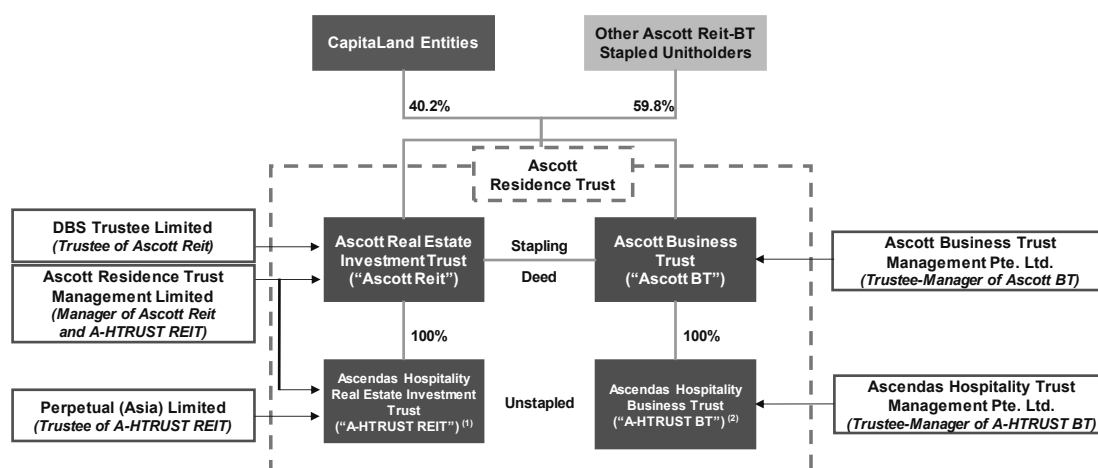
⁴ For further details on transactions involving the stock codes and ISIN codes of the Ascott Reit Units and the Ascott Reit-BT Stapled Units, please refer to **paragraph 9.1** of the Letter to Ascott Reit Unitholders.

⁵ Calculated based on a total of approximately 2,174.8 million Ascott Reit Units as at the Joint Announcement Date.

⁶ Calculated based on a total of approximately 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

⁷ Calculated based on an aggregate of approximately 3,086.3 million Ascott Reit-BT Stapled Units, based on 902.8 million Consideration Units to be issued (which, in turn, is based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date). This figure does not take into consideration any fees that may be payable in units to the Ascott Reit Manager or the A-HTRUST Managers prior to the Effective Date.

Entity Structure



- (1) A-HTRUST REIT will cease to exist as a real estate investment trust under the SFA and an authorised collective investment scheme.
 (2) A-HTRUST BT will cease to be a registered business trust under the BTA.

For the avoidance of doubt, pursuant to the Ascott Reit Scheme to be effected in accordance with the Ascott Reit Trust Deed, all the Ascott BT Units will be distributed *in specie* to the unitholders of Ascott Reit (the “**Ascott Reit Unitholders**”) as at the books closure date to determine the entitlements of the Ascott Reit Unitholders in respect of the Ascott Reit Scheme (the “**Ascott Reit Scheme Entitlement Date**”) and each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with a stapling deed in relation to Ascott Reit and Ascott BT (the “**Ascott Reit-BT Stapling Deed**”).

Accordingly, each Ascott Reit Unitholder as at the Ascott Reit Scheme Entitlement Date will receive such number of Ascott BT Units as is equivalent to the number of Ascott Reit Units that he/she holds as at the Ascott Reit Scheme Entitlement Date, on the basis that each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit.

Further, the Ascott Reit-BT Stapled Units (with a new stock code and ISIN code) will be listed and traded on the SGX-ST, in lieu of the Ascott Reit Units (with stock code “A68U” and ISIN code “SG1T08929278” (the “Ascott Reit ISIN Code”)) – the Ascott Reit Units (with stock code “A68U” and the Ascott Reit ISIN Code) will no longer be listed and traded on the SGX-ST on a standalone, unstapled basis.

1.5 ANZ’s role as IFA

Australia and New Zealand Banking Group Limited, Singapore Branch has been appointed to advise, from a financial point of view, the Ascott Reit Trustee, the Ascott Reit Audit Committee (“**AC**”) and the Ascott Reit Independent Directors as to whether the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders.

For the avoidance of doubt, the independent financial advice in this Letter does not address Resolutions 1, 4, 5 and the Ascott Reit Scheme Resolution as outlined in the Composite Document.

2. TERMS OF REFERENCE

ANZ has been appointed as the IFA, in compliance with the Listing Manual, to advise the Ascott Reit Trustee, the Ascott Reit AC and the Ascott Reit Independent Directors as to whether the Combination is on normal commercial terms and not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders.

Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits and/or risks of the Combination or on the future prospects of the Combined Entity and any of its related or associated companies. Such evaluation or comment, if any, remains the sole responsibility of the Ascott Reit Directors and the management of the Ascott Reit Manager, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this Letter. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Combination. We are therefore not addressing the relative merits of the Combination as compared to any alternative transaction (if any) previously considered by the Ascott Reit Manager or that otherwise may be available to Ascott Reit, or as compared to any alternative offer that might otherwise be available in the future. We are not and were not involved in any aspect of the negotiations entered into by Ascott Reit or in the deliberations leading up to the decision of the Ascott Reit Directors to undertake, *inter alia*, the Combination.

We have held discussions with the management of the Manager and have examined information provided by the management of the Manager and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

We have relied upon the assurances of the Ascott Reit Directors that the Ascott Reit Directors collectively and individually accept responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts provided are fair and accurate in all material respects and there are no material facts the omission of which would make any statement in this Letter misleading in any material respect.

Our opinion, as set out in this Letter, is based upon the market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as at the Latest Practicable Date. As conditions may change significantly over a short period of time, accordingly, we assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion, factors or assumptions contained herein. Ascott Reit Unitholders should take note of any announcement relevant to their consideration of the Combination which may be released by or on behalf of the Manager other relevant sources after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Ascott Reit Unitholder. **As each Ascott Reit Unitholder would have different investment objectives and profiles, we would advise that any individual Ascott Reit Unitholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.**

This Letter and our opinion are in compliance with Rule 921(4)(a) of the Listing Manual as well as addressed to and for the use and benefit of the Ascott Reit Trustee, the Ascott Reit AC and the Ascott Reit Independent Directors in connection with and for the purpose of their consideration of the Combination, and the recommendation made by the Ascott Reit Independent Directors to the Ascott Reit Unitholders shall remain their responsibility.

A copy of this Letter will be reproduced in the Composite Document. However, neither the Ascott Reit Manager nor the Ascott Reit Trustee, the Ascott Reit AC and the Ascott Reit Independent Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Combination, at any time or in any manner without the prior written consent of ANZ.

The Ascott Reit Manager has been separately advised by its own professional advisers in the preparation of the Composite Document (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Composite Document (other than this Letter).

Our opinion in relation to the Combination should be considered in the context of the entirety of this Letter and the Composite Document.

3. SUMMARY OF APPROVALS SOUGHT

The Ascott Reit Manager is seeking the approval of the Ascott Reit Unitholders for the following matters:

No.	Approval Sought	Approval Threshold	Abstentions
EGM			
(i)	The approval to amend the trust deed dated 19 January 2006 constituting Ascott Reit (as amended) (the " Ascott Reit Trust Deed ") to include, among other things, provisions to facilitate the implementation of the Ascott Reit Scheme (the " Proposed Ascott Reit Scheme Amendments ") at the extraordinary general meeting of Ascott Reit Unitholders (the " EGM ") (" Resolution 1 ")	Extraordinary Resolution ⁸	Nil.
(ii)	Subject to Resolution 1 and the Ascott Reit Scheme Resolution (as defined below) having been approved, the approval for the Ascott Reit Acquisition at the EGM (" Resolution 2 ")	Ordinary Resolution ⁹	TAL, SCPL and the Ascott Reit Manager
(iii)	Subject to Resolutions 1 and 2 and the Ascott Reit Scheme Resolution having been approved, the approval for the proposed allotment and issuance of new Ascott Reit-BT Stapled Units to A-HTRUST Stapled Unitholders as part of the consideration for the Ascott Reit Acquisition, as more particularly described in the Notice of Extraordinary General Meeting set out in Appendix M to the Composite Document (the " Proposed Issuance of the Consideration Units ") at the EGM (" Resolution 3 ")	Ordinary Resolution	TAL, SCPL and the Ascott Reit Manager
(iv)	Subject to Resolutions 1, 2 and 3 and the Ascott Reit Scheme Resolution having been approved, the approval for the general mandate for the issuance of new Ascott Reit-BT Stapled Units, including the Acquisition Fee, at the EGM (" Resolution 4 ")	Ordinary Resolution	Nil.

⁸ "**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Ascott Reit Unitholders.

⁹ "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50 per cent. of the total number of votes cast for and against such resolution at a meeting of Ascott Reit Unitholders.

(v)	The approval for the proposed amendments to the Ascott Reit Trust Deed in relation to the reference period for the determination of the price at which to issue units as payment of fees, as set out in Appendix I to the Composite Document (the “ Proposed Unit Issue Price Amendment ”) at the EGM (“ Resolution 5 ”)	Extraordinary Resolution	TAL, SCPL and the Ascott Reit Manager
Ascott Reit Scheme Meeting			
(vi)	Subject to Resolution 1 having been approved, the approval for all the units in Ascott BT (“ Ascott BT Units ”) to be distributed <i>in specie</i> to the Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date and for the stapling of each Ascott BT Unit to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit at the court sanctioned scheme meeting of Ascott Reit Unitholders (the “ Ascott Reit Scheme Meeting ”) (the “ Ascott Reit Scheme Resolution ”) ¹⁰	Not less than a majority in number of the Ascott Reit Unitholders representing at least three-fourths in value of the Ascott Reit Units held by the Ascott Reit Unitholders present and voting either in person or by proxy at the Ascott Reit Scheme Meeting	Nil.

Ascott Reit Unitholders should note that the following resolutions are contingent upon the following other resolutions being passed, and will lapse if the following matters do not take place:

Resolution	Contingent upon the following resolutions being passed
Resolution 1	Nil (in the event the A-HTRUST Scheme does not come into effect in accordance with its terms for any reason whatsoever, Resolution 1 will lapse and the Ascott Reit Scheme will not come into effect).
Resolution 2	<ul style="list-style-type: none"> • Resolution 1; and • Ascott Reit Scheme Resolution.
Resolution 3	<ul style="list-style-type: none"> • Resolutions 1 and 2; and • Ascott Reit Scheme Resolution.
Resolution 4	<ul style="list-style-type: none"> • Resolutions 1, 2 and 3; and • Ascott Reit Scheme Resolution.
Resolution 5	Nil.
Ascott Reit Scheme Resolution	Resolution 1.

In the event that Resolution 1 is not passed at the EGM, the Ascott Reit Manager will not proceed with the Ascott Reit Scheme Meeting or seek the approval for the Ascott Reit Scheme Resolution. This means that the Ascott Reit Scheme cannot be implemented by the Ascott Reit Manager unless Resolution 1 is passed at the EGM.

¹⁰ The Ascott Reit Scheme is also subject to, amongst other things, the order of the Court sanctioning the Ascott Reit Scheme under Order 80 of the Rules of Court (the “**Ascott Reit Scheme Court Order**”) being obtained.

For the avoidance of doubt, Resolution 5 is not contingent on any other resolutions contemplated above being passed at the EGM, the Ascott Reit Scheme Meeting or the court sanctioned scheme meeting of A-HTRUST Stapled Unitholders to effect the A-HTRUST Scheme (the “A-HTRUST Scheme Meeting”).

In the interests of practical convenience, the EGM has been scheduled to take place before the Ascott Reit Scheme Meeting – in other words, approval will be sought for Resolutions 1, 2, 3, 4 and 5 before approval is sought for the Ascott Reit Scheme Resolution. This arrangement is notwithstanding that Resolutions 2, 3 and 4 are contingent upon the Ascott Reit Scheme Resolution being passed, and is notwithstanding that at the time approval is sought for Resolutions 2, 3 and 4, approval for the Ascott Reit Scheme Resolution would yet to have been sought.

For the avoidance of doubt, Resolutions 1, 2 and 3 and the Ascott Reit Scheme Resolution are each Conditions to the Combination – accordingly, if any of these resolutions are not approved by the Ascott Reit Unitholders, the Combination will not be completed.

4. THE PROPOSED ACQUISITION OF A-HTRUST STAPLED UNITS

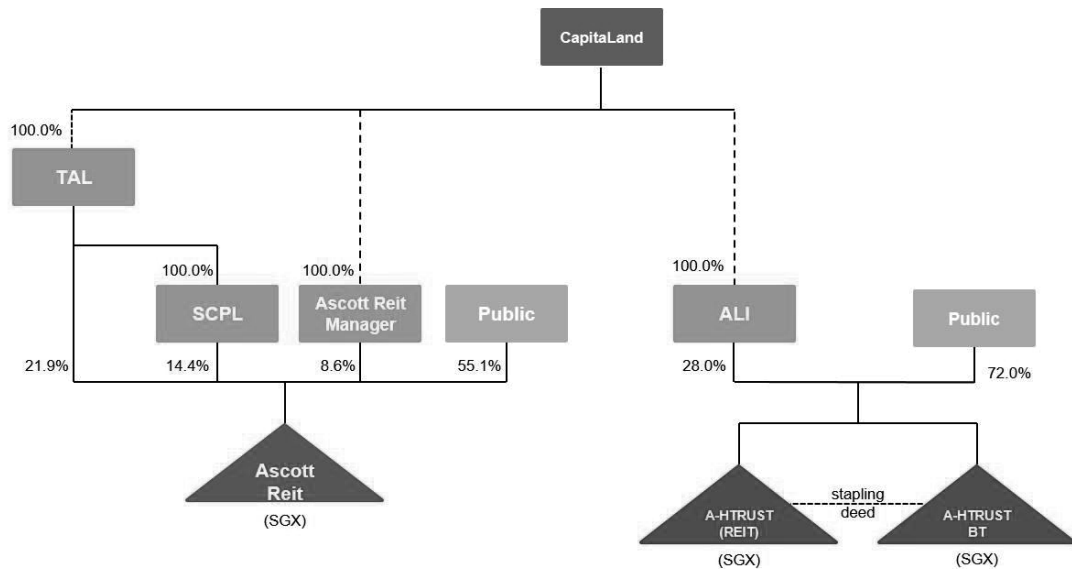
4.1 Scheme Implementation Agreement

In connection with the Combination, the Ascott Reit Trustee, the Ascott Reit Manager, Perpetual (Asia) Limited (in its capacity as trustee of A-HTRUST REIT) (the “**A-HTRUST REIT Trustee**”) and the A-HTRUST Managers (the “**Parties**”) have on 3 July 2019 entered into an implementation agreement (as amended) (the “**Scheme Implementation Agreement**”) setting out the terms and conditions on which the Combination will be implemented. The following key steps will be taken in relation to the Combination:

- (i) Ascott Reit has established a wholly-owned business trust, Ascott BT. As at the Latest Practicable Date, there is one Ascott BT Unit and as at the Ascott Reit Scheme Entitlement Date, the number of Ascott BT Units will be equivalent to the number of issued and outstanding Ascott Reit Units. Pursuant to the establishment of Ascott BT, a trust deed in relation to the Ascott BT (the “**Ascott BT Trust Deed**”) and an Ascott Reit-BT Stapling Deed has been entered into (with the latter to take effect on and from the date on which the Ascott Reit Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date (the “**Ascott Reit Scheme Implementation Date**”));
- (ii) pursuant to the Ascott Reit Scheme to be effected in accordance with the Ascott Reit Trust Deed, all the Ascott BT Units will be distributed *in specie* to the Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date and each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed; and
- (iii) pursuant to the A-HTRUST Scheme to be effected in accordance with the Code and the A-HTRUST Trust Deeds and the A-HTRUST Stapling Deed, on the date falling not later than seven Business Days after the Effective Date:

- (a) the A-HTRUST Managers will unstaple the A-HTRUST REIT Units and the A-HTRUST BT Units from the other and effect such unstapling before any A-HTRUST REIT Unit and A-HTRUST BT Unit may be transferred to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, pursuant to the A-HTRUST Scheme, such that each and every A-HTRUST Stapled Unit which is transferred to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, pursuant to the A-HTRUST Scheme shall be transferred on an unstapled basis; and
- (b) the Ascott Reit Trustee will acquire all the A-HTRUST REIT Units, and the Ascott BT Trustee-Manager will acquire all the A-HTRUST BT Units, for the A-HTRUST Scheme Consideration, in each case, fully paid, free from all Encumbrances and together with all rights, benefits and entitlements attaching hereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the A-HTRUST Managers on or after the Joint Announcement Date, except for the A-HTRUST Permitted Distributions (as defined herein).

As at the Joint Announcement Date, the structure of Ascott Reit and A-HTRUST was as follows:



Please refer to **Section 1.4** of this Letter for the indicative structure of the Combined Entity currently envisaged immediately upon completion of the Combination.

4.2 Conditions to Completion

- (i) The Combination is subject to the satisfaction or waiver of the conditions (the “**Conditions**”) set out in **Appendix D, Part 1** to the Composite Document.
- (ii) The Scheme Implementation Agreement may be terminated if any Condition set out in:

- (a) **paragraph (1), (2) or (3) of Appendix D, Part 1** to the Composite Document has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 31 December 2019 (or such other time and date as the Parties may agree) (the “**Long-Stop Date**”) and the non-satisfaction of such Condition is material in the context of the Combination; or
- (b) **paragraph (4), (5), (6) or (7) of Appendix D, Part 1** to the Composite Document is not satisfied (or, where applicable, has not been waived) on the Business Day immediately preceding the Effective Date (the “**Relevant Date**”) and the non-satisfaction of such Condition is material in the context of the Combination,

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

The status as to satisfaction of the Conditions as at the Latest Practicable Date, and any conditions on which such Conditions have been granted, have been set out in **Appendix D, Part 1** to the Composite Document.

- (iii) Without prejudice to any other rights of termination under the Scheme Implementation Agreement, the Scheme Implementation Agreement may be terminated at any time from the Joint Announcement Date to (and including) the Relevant Date:
 - (a) if there has been a decree, determination, injunction, judgment or other order (which is final and non-appealable) issued by any court of competent jurisdiction or by any governmental authority which has the effect of permanently enjoining, restraining or otherwise prohibiting the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or any part thereof;
 - (b) if there is a breach of certain warranties given by the Ascott Reit Trustee or the Ascott Reit Manager in the Scheme Implementation Agreement, as described in **Appendix D, Part 2** to the Composite Document (the “**Ascott Reit Warranties**”) which are material in the context of the Combination and the Ascott Reit Trustee or the Ascott Reit Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the A-HTRUST REIT Trustee or any A-HTRUST Manager to do so;
 - (c) if the Ascott Reit Manager fails to perform and comply in all material respects with certain material undertakings given by the Ascott Reit Manager in the Scheme Implementation Agreement (the “**Ascott Reit Material Covenants**”) which are required to be performed or complied with by it on or prior to the Relevant Date;

- (d) if there is a breach of certain warranties given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement, as described in **Appendix D, Part 2** to the Composite Document (the “**A-HTRUST Warranties**”) which are material in the context of the Combination and the A-HTRUST REIT Trustee or any A-HTRUST Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so;
- (e) if the A-HTRUST REIT Trustee or any A-HTRUST Manager fails to perform and comply in all material respects with certain material undertakings given by the A-HTRUST REIT Trustee or the A-HTRUST Managers in the Scheme Implementation Agreement (the “**A-HTRUST Material Covenants**”) which are required to be performed or complied with by it on or prior to the Relevant Date;
- (f) if there has been an occurrence of an Ascott Reit Material Adverse Effect; or
- (g) if there has been an occurrence of an A-HTRUST Material Adverse Effect,

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

4.3 Implementation

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

4.4 Effective Date

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

- (i) within 10 Business Days from the date that the last of the Conditions set out in **paragraphs (1), (2) and (3) of Appendix D, Part 1** to the Composite Document is satisfied or waived, as the case may be, in accordance with the terms of the Scheme Implementation Agreement; and
- (ii) provided that the Conditions set out in **paragraphs (4), (5), (6) and (7) of Appendix D, Part 1** to the Composite Document are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Scheme Implementation Agreement,

(the “**Effective Date**”).

4.5 Conduct of Business

Each Party has agreed not to, during the period from the Joint Announcement Date to the Effective Date, without the prior written consent of the other Parties (as relevant), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in certain prescribed occurrences in relation to the Ascott Reit Group or the A-HTRUST Group, respectively (the “**Ascott Reit Prescribed Occurrences**” and the “**A-HTRUST Prescribed Occurrences**”, as described in **Appendix D, Part 3** to the Composite Document), save to the extent:

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

4.6 Ascott Reit Permitted Distributions and A-HTRUST Permitted Distributions

General

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

- (i) have been declared, or which the Ascott Reit Manager or any A-HTRUST Manager (as the case may be) is under a contractual obligation to make or pay but has not made or paid (in each case, where such declaration or obligation has been disclosed to the Parties), prior to the Joint Announcement Date; or

- (ii) are declared, paid or made or are to be declared, paid or made in the ordinary course of business and to the extent consistent with past practice by the Ascott Reit Manager to the Ascott Reit Unitholders or by any A-HTRUST Manager to the A-HTRUST Stapled Unitholders, as the case may be, in respect of the period from, in the case of the Ascott Reit Manager, 1 January 2019 up to (and including) the date on which the A-HTRUST Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date (the “**A-HTRUST Scheme Implementation Date**”), and in the case of the A-HTRUST Managers, 1 April 2019 up to (and including) the A-HTRUST Scheme Implementation Date) (including any clean-up distributions to the Ascott Reit Unitholders or the A-HTRUST Stapled Unitholders, as the case may be, in respect of the period from the day following the latest completed financial half year of Ascott Reit or A-HTRUST, as the case may be, preceding the Effective Date, up to (and including) the A-HTRUST Scheme Implementation Date,

provided that, for this purpose, the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions shall include any and all distributions declared, paid or made or to be declared, paid or made in respect of any net gains (after taking into consideration applicable taxes and transaction fees, costs and expenses) arising from any divestments by any Ascott Reit Group Entity or any A-HTRUST Group Entity, as the case may be, effected or completed on or after 1 January 2019 or 1 April 2019, respectively, up to (and including) the A-HTRUST Scheme Implementation Date.

The Ascott Reit Manager and the A-HTRUST Managers shall be entitled to declare, make or pay the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions (as the case may be) without any adjustment to the A-HTRUST Scheme Consideration.

The A-HTRUST Stapled Unitholders shall have the right to receive and retain the A-HTRUST Permitted Distributions in addition to the A-HTRUST Scheme Consideration.

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

The Ascott Reit Manager has, on 30 July 2019, announced the distribution of 3.143 cents for each Ascott Reit Unit for the period from 1 January 2019 to 30 June 2019.

Amendment

As announced by the Ascott Reit Manager and the A-HTRUST Managers on 9 September 2019, the Parties have agreed to make certain amendments to the Scheme Implementation Agreement as summarised below:

- (i) to revise the period in respect of which the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions, as the case may be, are permitted to be distributed (“**relevant distribution period**”). The initial relevant distribution period and the amended relevant distribution period are as follows:

	Initial relevant distribution period	Amended relevant distribution period
Ascott Reit Permitted Distributions	1 January 2019 up to the day immediately before the Effective Date	1 January 2019 up to (and including) the A-HTRUST Scheme Implementation Date
A-HTRUST Permitted Distributions	1 April 2019 up to the day immediately before the Effective Date	1 April 2019 up to (and including) the A-HTRUST Scheme Implementation Date
Note	Based on the indicative timeline presently envisaged by the Parties, the day immediately before the Effective Date is expected to be 18 December 2019	Based on the indicative timeline presently envisaged between the Parties, the A-HTRUST Scheme Implementation Date is expected to be 31 December 2019

This amendment has been effected so as to align the last date of the relevant distribution period with the A-HTRUST Scheme Implementation Date.

This is because the A-HTRUST Scheme Implementation Date, being the date of completion and settlement of the Combination, is the date on which:

- the transfer of the A-HTRUST REIT Units and the A-HTRUST BT Units to the Ascott Reit Trustee and the Ascott BT Trustee-Manager, respectively, takes place; and
- the issuance of the Consideration Units to the A-HTRUST Stapled Unitholders takes place.

Accordingly, up to (and including) the A-HTRUST Scheme Implementation Date, the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders, as unitholders of Ascott Reit and A-HTRUST, respectively, should each be entitled to the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions, respectively. The amendments reflect this position by allowing the Ascott Reit Unitholders and the A-HTRUST Stapled Unitholders to be entitled to the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions, respectively, up to (and including) the A-HTRUST Scheme Implementation Date.

- (ii) to provide that the Ascott Reit Scheme Entitlement Date may fall on a different date than the A-HTRUST Scheme Entitlement Date. This amendment has been effected so as to allow for greater flexibility in accommodating the logistics of settlement of the Combination.

4.7 Break Fee and Reverse Break Fee

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

- (i) the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager to the Ascott Reit Trustee (the “**Break Fee**”); and
- (ii) the Ascott Reit Trustee to the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager (the “**Reverse Break Fee**”),

as further described in **Appendix D, Part 4** to the Composite Document.

4.8 Exclusivity

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

- (i) solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any A-HTRUST Competing Offer (as defined in **Appendix D, Part 4** to the Composite Document); or
- (ii) negotiate or enter into, or participate in negotiations or discussions with any person (other than the Ascott Reit Trustee or the Ascott Reit Manager) in relation to, any A-HTRUST Competing Offer or any agreement, understanding or arrangement which would or is reasonably likely to result in or lead to any A-HTRUST Competing Offer.

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

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

4.9 Termination

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

- (i) by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an A-HTRUST Termination Event (as defined in **Appendix D, Part 4** to the Composite Document) occurs;

- (ii) by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an Ascott Termination Event (as defined in **Appendix D, Part 4** to the Composite Document) occurs; or
- (iii) pursuant to such terms of the Scheme Implementation Agreement as set out in **paragraph 4.2(ii) or (iii)** of the Letter to Ascott Reit Unitholders,

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

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

4.10 A-HTRUST Scheme Consideration

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

The A-HTRUST Scheme Consideration will be paid to each A-HTRUST Stapled Unitholder as at the A-HTRUST Scheme Entitlement Date.

The Consideration Units will:

- (i) when issued, be duly authorised, validly issued and fully paid-up and will rank *pari passu* in all respects with the existing Ascott Reit-BT Stapled Units as at the date of their issue;
- (ii) be issued free from any and all Encumbrances and restrictions on transfers and no person shall have any rights of pre-emption over the Consideration Units; and
- (iii) be issued at an issue price of S\$1.30¹¹ for each Ascott Reit-BT Stapled Unit, being the price agreed between the Parties at which the Consideration Units will be issued.

¹¹ For the avoidance of doubt, the price of each Ascott Reit Unit, the Ascott BT Unit or the Ascott Reit-BT Stapled Unit may trade at a price which is above or below S\$1.30 for each such unit. There will not be any adjustment to the amount of the Cash Consideration or the number of the Consideration Units to be issued to reflect any such price differential.

For the avoidance of doubt:

- (a) the Consideration Units will be issued with all rights, benefits and entitlements attaching thereto as at the date of their issue (not as at the Joint Announcement Date, the Latest Practicable Date or any other date) and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the Ascott Reit Manager or the Ascott BT Trustee-Manager on or after the date of their issue (and not on the Joint Announcement Date, the Latest Practicable Date or any other date);
- (b) the Consideration Units will not be entitled to the Ascott Reit Permitted Distributions; and
- (c) the Parties shall be entitled to declare, make or pay the Ascott Reit Permitted Distributions and the A-HTRUST Permitted Distributions (as the case may be) without any adjustment to the A-HTRUST Scheme Consideration. A-HTRUST Stapled Unitholders shall have the right to receive and retain the A-HTRUST Permitted Distributions in addition to the A-HTRUST Scheme Consideration.

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

4.11 Estimated Total Transaction Costs

The total cost of the Combination is currently estimated to be approximately S\$1,267.3 million (the “**Estimated Total Transaction Costs**”), comprising:

- (a) the A-HTRUST Scheme Consideration of S\$1,235.4 million, comprising S\$61.8 million as Cash Consideration and 902.8 million Consideration Units¹²;
- (b) an acquisition fee of S\$9.4 million, payable wholly in Ascott Reit-BT Stapled Units¹³ to the Ascott Reit Manager in relation to the Combination (the “**Acquisition Fee**”), being 0.5% of the Enterprise Value¹⁴ of A-HTRUST.

In this regard, to demonstrate its support for the Combination, the Ascott Reit Manager has voluntarily waived 50% of its acquisition fee entitlement under the Ascott Reit Trust Deed, which fee would otherwise have been 1% of the Enterprise Value of A-HTRUST¹⁵; and

¹² Based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

¹³ Subject to the approval of Ascott Reit Unitholders, the Proposed Unit Issue Price Amendment will take effect prior to the issuance of the Acquisition Fee. Accordingly, the Ascott Reit-BT Stapled Units to be issued as Acquisition Fees will be issued at an issue price determined by reference to a 10-business day volume weighted average price of an Ascott Reit Unit for all trades on the SGX-ST immediately preceding the Effective Date.

¹⁴ Pursuant to the Ascott Reit Trust Deed, the Acquisition Fee is calculated based on the “**Enterprise Value**” of the units being acquired, being the sum of the equity value and the total net debt attributable to such units being acquired.

¹⁵ It should also be noted that pursuant to Paragraph 5.7 of the Property Funds Appendix, the Ascott Reit Manager must receive its acquisition fees in units for acquisitions from interested persons and such units cannot be sold within one year from the date of their issuance.

- (c) the estimated professional and other fees and expenses of S\$22.5 million incurred or to be incurred by the Combined Entity in connection with the Combination (the “**Transaction Costs**”).

4.12 Cash Confirmation

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

4.13 Method of Financing

The Ascott Reit Manager will finance the cash component of Ascott Reit’s share of the Estimated Total Transaction Costs, including the Cash Consideration, using the existing debt facilities of the Ascott Reit Group.

5. MATERIAL TRANSACTION

Chapter 10 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Ascott Reit. Such transactions are classified into the following categories:

- (i) non-disclosable transactions;
- (ii) disclosable transactions;
- (iii) major transaction; and
- (iv) very substantial acquisitions or reverse takeovers.

A transaction by Ascott Reit may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (a) the NAV of the assets to be disposed of, compared with the NAV of the Ascott Reit Group;
- (b) the net profits attributable to the assets acquired or disposed, compared with the Ascott Reit Group’s net profits;
- (c) the aggregate value of the consideration given or received, compared with the Ascott Reit Group’s market capitalisation; and
- (d) the number of Ascott Reit Units issued by Ascott Reit as consideration for an acquisition, compared with the number of Ascott Reit Units previously in issue.

The relative figures for the Combination using the applicable bases of comparison described in Chapter 10 of the Listing Manual and based on the Consideration Units are set out in the table below:

	A-HTRUST Group or Combination, as the case may be (\$ million)	Ascott Reit Group (\$ million)	Percentage (%)
Rule 1006(b) Net profits attributable to the A-HTRUST Group compared with the net profits of the Ascott Reit Group, in each case, for the three-month period ended 31 March 2019 ⁽¹⁾	75.7 ⁽²⁾	169.8 ⁽²⁾	44.6
	9.5 ⁽³⁾	34.8 ⁽³⁾	27.3
Rule 1006(c) A-HTRUST Scheme Consideration ⁽⁴⁾ compared with Ascott Reit's market capitalisation as at 2 July 2019, being the latest trading date prior to the Joint Announcement Date (the " Latest Trading Date ")	1,235.4	2,841.3	43.5
Rule 1006(d) Number of Ascott Reit-BT Stapled Units to be issued pursuant to the Combination compared with the number of Ascott Reit Units in issue as at the Latest Trading Date	902.8	2,174.8	41.5

Notes:

- (1) In each case of the A-HTRUST Group and the Ascott Reit Group, "**net profits**" has been reflected before income tax, non-controlling interests and extraordinary items.
- (2) In the case of the A-HTRUST Group, including a gain of S\$65.7 million relating to net changes in fair value of investment properties and a gain of S\$0.5 million relating to net changes in fair value of derivative financial instruments. In the case of the Ascott Reit Group, including a gain of S\$135.0 million relating to net changes in fair value of assets held for sale (being a fair value gain from the sale of Ascott Raffles Place Singapore – such gain was calculated based on the sale consideration, net of property costs and transaction costs) and a gain of S\$0.004 million relating to net changes in fair value of financial derivatives.
- (3) In the case of the A-HTRUST Group, excluding a gain of S\$65.7 million relating to net changes in fair value of investment properties and a gain of S\$0.5 million relating to net changes in fair value of derivative financial instruments. In the case of the Ascott Reit Group, excluding a gain of S\$135.0 million relating to net changes in fair value of assets held for sale (being a fair value gain from the sale of Ascott Raffles Place Singapore – such gain was calculated based on the sale consideration, net of property costs and transaction costs) and a gain of S\$0.004 million relating to net changes in fair value of financial derivatives.
- (4) Based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

As the relative figures for the Combination under Rules 1006(b), Rules 1006(c) and Rules 1006(d) of the Listing Manual exceed 20% (but not 100%), the Combination is classified as a "**major transaction**" under Chapter 10 of the Listing Manual and, accordingly, is subject to the approval of Ascott Reit Unitholders at the EGM. Such approval is being sought pursuant to Resolutions 2 and 3.

6. INTERESTED PERSON TRANSACTION

6.1. Interested Person Transaction

As at the Latest Practicable Date, CapitaLand holds, in aggregate through TAL, SCPL and the Ascott Reit Manager, approximately 45.0% of all the Ascott Reit Units. CapitaLand also holds, through Ascendas Pte Ltd (“**APL**”), 100% of all the issued shares of ALI, which in turn holds 28.1% of all the A-HTRUST Stapled Units. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix:

- (i) Ascott Reit is an “entity at risk”;
- (ii) CapitaLand is a “controlling unitholder” of Ascott Reit and ALI is an associate of CapitaLand;
- (iii) pursuant to the Combination, Ascott Reit, an entity at risk, is acquiring A-HTRUST Stapled Units from ALI, an associate of CapitaLand (the “**ALI Acquisition**”); and
- (iv) the Combination, which includes the ALI Acquisition, constitutes an interested person transaction.

6.2. Ascott Reit Unitholders’ Approval and Other Transactions

The estimated A-HTRUST Scheme Consideration payable by Ascott Reit pursuant to the Ascott Reit Acquisition is S\$1,235.4 million¹⁶. Of this S\$1,235.4 million, the consideration payable by Ascott Reit to ALI pursuant to the ALI Acquisition is S\$346.5 million¹⁷.

The A-HTRUST Scheme Consideration represents 46.7% of the NTA of the Ascott Reit Group of S\$2,644.1 million as at 31 December 2018. Of this 46.7%, the consideration payable by Ascott Reit to ALI represents 13.1% of the NTA of the Ascott Reit Group of S\$2,644.1 million as at 31 December 2018.

Accordingly, in either case of the Ascott Reit Acquisition (which includes the ALI Acquisition) and the ALI Acquisition:

- (i) such acquisition is required to be approved by the Ascott Reit Unitholders (with TAL, SCPL and the Ascott Reit Manager abstaining) under Rules 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix; and
- (ii) the Combination (of which such acquisitions form a part) is conditional upon such approval. Such approval is being sought pursuant to Resolutions 2 and 3.

¹⁶ Based on a total of 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

¹⁷ Calculated based on a total of 318.8 million A-HTRUST Stapled Units held by ALI as at the Joint Announcement Date.

As at the Latest Practicable Date, other than the ALI Acquisition and excluding interested person transactions with a value of less than S\$100,000 each, the value of all interested person transactions entered into between the Ascott Reit Group and CapitaLand, its subsidiaries and associates during the course of the current financial year is approximately S\$22.6 million (which is approximately 0.9% of the NAV and NTA of the Ascott Reit Group as at 31 December 2018). Save as described in the foregoing, there were no interested person transactions entered into between the Ascott Reit Group and CapitaLand, its subsidiaries and associates.

7. PROPOSED ISSUANCE OF THE CONSIDERATION UNITS

As at the Latest Practicable Date, approximately 903.6 million Consideration Units will be issued to the A-HTRUST Stapled Unitholders as partial payment of the A-HTRUST Scheme Consideration¹⁸.

The Consideration Units issued will not be entitled to the Ascott Reit Permitted Distributions and will, upon issue, rank *pari passu* in all respects with the existing Ascott Reit-BT Stapled Units, as at the date of their issue.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer. Such approval is being sought pursuant to Resolution 3.

As announced by the Ascott Reit Manager on 9 September 2019, the SGX-ST has given its approval in-principle for the listing and quotation of the following units, in each case, on the Main Board of the SGX-ST:

- (i) up to 2,183.2 million new Ascott Reit-BT Stapled Units, which will be issued to existing Ascott Reit Unitholders pursuant to the Ascott Reit Scheme;
- (ii) up to 906.0 million¹⁹ new Ascott Reit-BT Stapled Units, which will be issued as part consideration for the Combination; and
- (iii) new Ascott Reit-BT Stapled Units which may be issued to the Ascott Reit-BT Managers from time to time pursuant to the general mandate for issuance of new Ascott Reit-BT Stapled Units, in full or part payment of fees payable to the Ascott Reit-BT Managers (including up to 7.3 million Ascott Reit-BT Stapled Units to be issued as payment for the Acquisition Fee in respect of the Combination).

The approval in-principle for the listing and quotation of such units is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;

¹⁸ Calculated based on a total of approximately 1,137.7 million A-HTRUST Stapled Units as at the Latest Practicable Date.

¹⁹ This figure takes into account and assumes that the base management fees and performance fees to the A-HTRUST Managers for the period from 1 April 2019 to 30 September 2019 are partially paid in A-HTRUST Stapled Units.

- (b) approval of the Ascott Reit Unitholders of all the resolutions to be approved for the purpose of effecting the Combination; and
- (c) approval of the Court for the implementation of the Ascott Reit Scheme.

The SGX-ST's in-principle approval for the listing and quotation of such units is not to be taken as an indication of the merits of the Combination and the related proposals, the Ascott Reit-BT Stapled Units, Ascott Reit and/or its subsidiaries.

8. NEXT STEPS FOLLOWING THE COMPLETION OF THE COMBINATION

8.1. With respect to the Combination:

- (i) **investment mandate:** the present investment mandate of the Ascott Reit Group, as noted in **paragraph 1.2.1** of the Letter to Ascott Reit Unitholders, is to invest in real estate and real estate-related assets which are income-producing and which are used or predominantly used as, amongst other things, hospitality assets in any country in the world. This would encompass the present investment mandate of the A-HTRUST Group, which, as noted in **paragraph 1.3.1** of the Letter to Ascott Reit Unitholders, is similarly to invest in income-producing real estate used predominantly for hospitality purposes. Accordingly, the Ascott Reit Manager has no intention of expanding the investment mandate of Ascott Reit following the Combination, as it considers that there is no need to do so;
- (ii) **right of first refusal:** after the Combination, the agreement in relation to the right of first refusal granted by ALI, as sponsor of A-HTRUST, in favour of the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager dated 9 July 2012 (as amended) ("**A-HTRUST ROFR**") pursuant to which ALI had granted a right of first refusal to A-HTRUST in the event ALI wishes to dispose of certain assets which are subject to the A-HTRUST ROFR, will be novated by ALI to TAL, such that TAL becomes the obligor under the A-HTRUST ROFR. As arrangements with respect to rights of first refusals of this nature are customarily given by the sponsor of a REIT or business trust, such novation would ensure that TAL, as sponsor of the Combined Entity, would be the obligor under the A-HTRUST ROFR.

It should be noted that there are presently no assets which are subject to the A-HTRUST ROFR, nor does ALI have any present intention to acquire any such assets.

- (iii) **fee structure:** after the Combination, as A-HTRUST REIT and A-HTRUST BT will be wholly-owned, unlisted sub-trusts of Ascott Reit and Ascott BT, respectively, the A-HTRUST Trust Deeds will be amended to reflect provisions customary of a wholly-owned, unlisted sub-trust. In this regard, the fee structure of the A-HTRUST Group will be amended, such that fees which would otherwise have been payable to the A-HTRUST Managers (including base management fees, performance management fees, acquisition and divestment fees) will, instead, be payable to the Ascott Reit-BT Managers. Such fees are not materially different from the fee structure of the A-HTRUST Group as presently adopted and will, after the Combination, be based on the fee structure of the Ascott Reit Group presently adopted;
- (iv) **board of directors:** subject to further evaluation by the board of directors of the Ascott Reit Manager (the “**Ascott Reit Board**”), the Ascott Reit Manager has no intention to amend the present constitution of the Ascott Reit Board pursuant to the Combination;
- (v) **trustee and trustee-manager:** each of the A-HTRUST REIT Trustee and A-HTRUST BT Trustee-Manager will remain as trustee of the unlisted A-HTRUST REIT and A-HTRUST BT, as the case may be, immediately upon completion of the Combination; and
- (vi) **real estate investment trust manager:** on or about completion of the Combination, the A-HTRUST REIT Manager will retire as manager of A-HTRUST REIT and the Ascott Reit Manager will be appointed as the manager of the unlisted A-HTRUST REIT, in each case, in accordance with the terms of the A-HTRUST REIT Trust Deed, such that the Ascott Reit Manager has control over the management of all of the assets held by Ascott Reit (whether directly or indirectly).

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

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

8.2. Ascott Reit’s Strategy for the Combined Entity

The key objectives of the Ascott Reit Manager and, after the Combination, the Ascott BT Trustee-Manager will continue to be delivering stable and growing distributions to the Ascott Reit-BT Stapled Unitholders through the following strategies:

- (i) **Growth by acquisition:** Selectively acquiring properties that meet the Ascott Reit-BT Managers’ investment criteria;
- (ii) **Active asset management of assets:** Actively managing the property portfolio of the Combined Entity to maximise returns through organic growth;

- (iii) **Unlocking value:** Seeking divestment opportunities for properties that have reached the optimal stage of their life cycle and redeploying divestment proceeds into higher yielding assets;
- (iv) **Prudent capital and risk management:** Employing appropriate capital financing and hedging strategies to manage interest rate and foreign exchange risks; and
- (v) **Leveraging sponsor:** Tapping on the expertise of TAL, as an owner-operator in the lodging industry, and leveraging its brands and operating platforms which include, amongst other things, sales network and digital initiatives.

9. IRREVOCABLE UNDERTAKINGS AND ASCOTT REIT DIRECTORS' INTENTION TO VOTE

9.1. Irrevocable Undertakings

TAL, SCPL and the Ascott Reit Manager have, on 8 August 2019, and ALI has, on 12 September 2019, given irrevocable undertakings to vote, or procure the voting of, the following number of Ascott Reit Units and A-HTRUST Stapled Units in which each such entity is a beneficial owner thereof or in respect of which such entities may otherwise become entitled to exercise all rights attaching thereto (including voting rights) in favour of Resolution 1 and the Ascott Reit Scheme Resolution or the proposed amendments to the A-HTRUST Trust Deeds to facilitate the implementation of the A-HTRUST Scheme (the "**A-HTRUST Trust Deeds Amendment Resolution**"), as the case may be:

CapitaLand Entity	Number of Ascott Reit Units or A-HTRUST Stapled Units (million)	% of Total Ascott Reit Units or A-HTRUST Stapled Units ²⁰
Ascott Reit Units		
TAL	476.2	21.9
SCPL	314.1	14.4
Ascott Reit Manager	189.6	8.7
A-HTRUST Stapled Units		
ALI	319.8	28.1

In addition, each of AHDF Pte Ltd ("**AHDF**") and Tang Yigang (a.k.a. Gordon Tang) ("**GT**") had, on 11 July 2019, executed irrevocable deeds of undertaking (together with the deeds of irrevocable undertaking given by the CapitaLand Entities, the "**Deeds of Irrevocable Undertaking**") to vote the following number of A-HTRUST Stapled Units in favour of the A-HTRUST Trust Deeds Amendment Resolution and the resolutions in relation to the A-HTRUST Scheme to be approved at the A-HTRUST Scheme Meeting:

²⁰ Calculated based on a total of approximately 2,176.8 million Ascott Reit Units or 1,137.7 million A-HTRUST Stapled Units, as the case may be, as at the Latest Practicable Date.

Entity or Individual	Number of A-HTRUST Stapled Units (million)	% of Total A-HTRUST Stapled Units ²¹
AHDF ²²	46.2	4.1
GT ²³	72.0	6.3

Each of the Deeds of Irrevocable Undertaking will terminate and be of no further force and effect on the earliest of the following events:

- (i) if the Ascott Reit Scheme of the A-HTRUST Scheme (as the case may be) becomes effective in accordance with its terms, the Effective Date;
- (ii) if the Scheme Implementation Agreement lapses or is terminated for any reason without the Ascott Reit Scheme or the A-HTRUST Scheme (as the case may be) becoming effective, the date on which the Scheme Implementation Agreement lapses or is terminated; and
- (iii) 5.00 p.m. on 31 December 2019.

Other than ALI's unitholding interest in A-HTRUST, there is no significant relationship between, on the one hand, TAL and ALI (the sponsors of Ascott Reit and A-HTRUST, respectively) and AHDF or GT, on the other hand.

9.2. Ascott Reit Directors' Intention to Vote

All the Ascott Reit Directors (each of whom has a direct interest in Ascott Reit Units, as set out in **Appendix B, Part 2** to the Composite Document) have informed the Ascott Reit Manager that they will vote in favour of all the resolutions proposed at the EGM and the Ascott Reit Scheme Meeting, save that, for purposes of good corporate governance, the non-Independent Directors will abstain from voting on Resolution 2, Resolution 3 and Resolution 5.

For the avoidance of doubt, Resolution 1, Resolution 2 and Resolution 3 and the Ascott Reit Scheme Resolution are not conditional on Resolution 4 or Resolution 5.

10. ABSTENTIONS FROM VOTING

10.1. Ascott Reit Acquisition and Consideration Units

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

²¹ Calculated based on a total of approximately 1,136.7 million A-HTRUST Stapled Units as at the Joint Announcement Date.

²² As at the Latest Practicable Date, AHDF holds 46.2 million A-HTRUST Units, representing 4.1% of the total A-HTRUST Stapled Units.

²³ As at the Latest Practicable Date, GT holds 77.2 million A-HTRUST Units, representing 6.8% of the total A-HTRUST Stapled Units.

Accordingly, TAL, SCPL and the Ascott Reit Manager will abstain from voting (either in person or by proxy) on Resolution 2 and Resolution 3. Further, each of them shall decline to accept appointments as proxies in respect of Resolution 2 and Resolution 3, unless specific instructions as to voting are given.

Ascott Reit will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

For purposes of good corporate governance, the Ascott Reit Directors who are not Independent Directors (each of whom has a direct interest in Ascott Reit Units, as set out in **Appendix B, Part 2** to the Composite Document), being Ms. Beh Siew Kim, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey, will abstain from voting on Resolution 2 and Resolution 3.

11. FINANCIAL EVALUATION OF THE TERMS OF THE COMBINATION

As part of our evaluation of whether the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders, we have considered the pricing principle of the Combination as well as evaluated whether the gross exchange ratio of 0.836x is on normal commercial terms based on whether the A-HTRUST Stapled Units and the Consideration Units are fairly valued based on the A-HTRUST Scheme Consideration and the issue price of the Consideration Units (the “**Consideration Unit Price**”), respectively. In this Letter, we have considered the following factors:

Factors	Details see page
11.1. Pricing principle of the Combination	
11.2. Whether the A-HTRUST Stapled Units as implied by the A-HTRUST Scheme Consideration are fairly valued	
1. Liquidity analysis of the A-HTRUST Stapled Units and other select SGX-listed hospitality REITs	36
2. Historical market performance and trading activity of the A-HTRUST Stapled Units	37
3. Trailing Latest P/NAV multiples of the A-HTRUST Stapled Units relative to the Latest P/NAV multiples implied by the A-HTRUST Scheme Consideration	41
4. Trailing LTM Distribution Yields of the A-HTRUST Stapled Units relative to the Distribution Yields implied by the A-HTRUST Scheme Consideration	42
5. Valuation multiples of select REITs listed in Singapore, Malaysia, Japan and Australia (the “ Comparable Hospitality REITs ”) relative to those implied by the A-HTRUST Scheme Consideration	43
6. The premium/discount to NAV implied by selected precedent transactions involving mergers and acquisitions (“ M&A ”) of listed REITs and business trusts in Singapore (the “ Precedent Transactions ”) relative to those implied by the A-HTRUST Scheme Consideration	44

7.	Premium/discount implied by selected completed substantive/change of control acquisitions involving target companies listed on the SGX-ST (“ Precedent Takeovers Premia ”)	45
11.3. Whether the Ascott Reit Units as implied by the Consideration Unit Price are fairly valued		
1.	Liquidity analysis of the Ascott Reit Units and other select SGX-listed hospitality REITs	48
2.	Historical market performance and trading activity of the Ascott Reit Units	48
3.	Trailing Latest P/NAV multiples of the Ascott Reit Units relative to the Latest P/NAV multiples implied by the Consideration Unit Price	52
4.	Trailing LTM Distribution Yields of the Ascott Reit Units relative to the Distribution Yields implied by the Consideration Unit Price	53
11.4-11.5. Other factors		
1.	The FY2018 <i>pro forma</i> financial effects of the Combination	54
2.	Other relevant considerations which have a significant bearing on our assessment, in relation to the Combination	57

General bases and assumptions

The figures and underlying financial data used in our analyses in this Letter, including unit prices, trading volumes, and broker research, have been extracted from, *inter alia*, SGX-ST, Bloomberg, Capital IQ, Mergermarket, and other public filings and documents. ANZ has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

Valuation ratios

For the purpose of our evaluation of the financial terms of the Combination and for illustration, we have applied the following valuation metrics to the Ascott Reit Units and the A-HTRUST Stapled Units in our analysis of the financial terms of the Combination:

Valuation Metrics	Description
P/NAV	“NAV” or “net asset value” is the book value of a company’s shareholders’ equity (excluding minority interest). The “ P/NAV ” or “price-to-NAV” ratio illustrates the ratio of the market price of a company’s units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
12-month trailing Distribution Yield (“DY”)	The “12-month trailing Distribution Yield” is the aggregate dividend per unit amount that has been declared for distribution over the prior 12 months, divided by the current unit price.

In relation to the P/NAV multiple, we note that this type of asset-based valuation approach provides an estimate of the value of a trust assuming the hypothetical sale of all its assets over a reasonable period of time, repayment of its liabilities and obligations, and with the balance being available for distribution to its unitholders. While the asset base of a trust can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

As part of our evaluation of the financial terms of the Combination, we have compared the P/NAV multiple and DY as implied by the A-HTRUST Scheme Consideration and the Consideration Unit Price, as applicable, to relevant mean and median values as well as relevant minimum and maximum ranges as set out in this Letter.

Independent Property Valuations

We note that properties typically represent the majority of the net asset value of a real estate investment trust and we have considered the following underlying independent valuations of the properties of Ascott Reit and A-HTRUST, respectively, as well as related opinions:

- (i) The independent valuations for the properties held by Ascott Reit (the “**Ascott Reit Properties**”) as at 31 December 2018;
- (ii) The independent half-yearly desktop valuations for the Ascott Reit Properties as at 30 June 2019;
- (iii) The independent valuations for the A-HTRUST Properties as at 31 March 2019; and
- (iv) The Ascott Reit Auditors Opinion on the carrying value of the line items titled “investment properties” and “property, plant and equipment” set out in the balance sheet of the A-HTRUST Group, as reflected in the A-HTRUST FY2018/2019 Financial Statements, in respect of the real properties held by A-HTRUST as at 31 March 2019

For the analyses in this Letter relating to the Latest P/NAV (as defined herein), we have applied the NAV per unit as at 31 December 2018 of Ascott Reit and the NAV per unit as at 31 March 2019 of A-HTRUST, respectively, being the latest audited NAV prior to the Joint Announcement Date.

In relation to the Ascott Reit Properties we note that the independent valuations as at 31 December 2018 are in line with the independent half-yearly desktop valuations as at 30 June 2019.

Comparable Companies

The summary description of the Comparable Hospitality REITs that we have reviewed for our evaluation of the A-HTRUST Scheme Consideration is set out in the following table:

Company	Company Description	Market Cap ⁽¹⁾ (S\$M)
<i>Singapore and Malaysia-listed</i>		
CDL Hospitality Trusts ("CDL")	<ul style="list-style-type: none"> CDL was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets globally. CDL currently owns 19 properties with a total of 5,088 hotel rooms, comprising six hotels and a retail mall in Singapore, three hotels in Australia, one hotel in New Zealand, two hotels in Japan, two hotels in United Kingdom, one hotel in Germany, one hotel in Italy and two resorts in Maldives. 	1,999
Frasers Hospitality Trust ("Frasers")	<ul style="list-style-type: none"> Frasers is a hotel and serviced residence trust listed in Singapore. It is established with the principal strategy of investing globally in income-producing real estate assets used primarily for hospitality purposes. Frasers has a geographically diversified portfolio of 15 properties in prime locations across 9 key cities in Asia (Singapore, Japan, and Malaysia), Australia and Europe (UK and Germany). 	1,354
Far East Hospitality Trust ("Far East")	<ul style="list-style-type: none"> Far East is a Singapore-based REIT established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to hospitality. Far East's portfolio has 13 properties, comprising 9 hotels and 4 serviced residences located in Singapore. 	1,316
YTL Hospitality REIT ("YTL")	<ul style="list-style-type: none"> YTL is listed on the Main Market of Bursa Malaysia Securities Berhad with a wide portfolio of prime hotel properties. Its hospitality assets range from business to luxury hotels and are spread across a range of locations worldwide including Malaysia, Japan, and Australia. YTL has a portfolio of 14 hotels. 	771 ⁽²⁾
<i>Japan-listed</i>		
Japan Hotel REIT Investment Corporation ("Japan Hotel")	<ul style="list-style-type: none"> Japan Hotel aims to achieve stable earnings and sustainable growth in asset from mid- to long-term perspectives. It invests in business hotels, resort hotels and city hotels located in Japan. Japan Hotel has a portfolio of 54 hotels located in Japan. 	4,669 ⁽³⁾
Hoshino Resorts REIT, Inc ("Hoshino Resorts")	<ul style="list-style-type: none"> Hoshino Resorts invests in hotels, ryokans (Japanese-style inns) and ancillary facilities for which stable use is expected in an aim to secure steady growth and stable earnings from a medium- to long-term perspective. Hoshino Resorts has a portfolio of 59 hotels locate in Japan. 	1,603 ⁽³⁾
MORI Trust Hotel REIT, Inc.	<ul style="list-style-type: none"> MORI TRUST Hotel generates stable revenues and steadily growing assets under management over the 	894 ⁽³⁾

Company	Company Description	Market Cap ⁽¹⁾ (S\$M)
(“MORI Trust Hotel”)	<p>medium to long terms by investing in a focused manner in attractive hotel assets that share "Trust Value" created by "Trust Quality," or superior assets backed by the development, operation and management capabilities of its sponsors.</p> <ul style="list-style-type: none"> ▪ MORI Trust Hotel has a portfolio of 4 hotels located in Japan. 	
Ichigo Hotel REIT Investment Corporation (“Ichigo Hotel”)	<ul style="list-style-type: none"> ▪ Ichigo Hotel invests in hotels well positioned to benefit from the growing number of inbound tourists to Japan from overseas and other positive trends in the Japanese hotel business. ▪ Ichigo Hotel has a portfolio of 22 hotels located in Japan. 	427 ⁽³⁾
<i>Australia-listed</i>		
Hotel Property Investments (“Hotel Property Investments”)	<ul style="list-style-type: none"> ▪ Hotel Property Investments is a long term owner of pub and accommodation assets that aims to deliver a secure income stream to investors. ▪ Hotel Property Investment has a portfolio of 43 pubs and accommodation assets in Australia. 	484 ⁽⁴⁾

Source: Capital IQ, respective company profiles.

Notes:

(1) Market capitalisation as at the LPD.

(2) Exchange rate of SGD1:MYR3.028.

(3) Exchange rate of SGD1:JPY78.078.

(4) Exchange rate of SGD1:AUD1.057.

Precedent Transactions

For the purpose of evaluating the A-HTRUST Scheme Consideration, we have also reviewed selected completed Precedent Transactions between 1 July 2014 and the LPD involving M&A transactions of listed REITs and business trusts in Singapore. A brief description of the Precedent Transactions is set out below:

Target	Announcement Date	Description
<i>Singapore REIT /business trust transactions</i> ²⁴		
OUE Hospitality Trust (“OUE H”)	8 April 2019	<ul style="list-style-type: none"> ▪ OUE H is a Singapore REIT with principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets. ▪ On 8 April 2019, OUE H and OUE Commercial Trust jointly announced the merger of the two REITs by way of a trust scheme of arrangement. ▪ On 4 September 2019, the trust scheme of arrangement in relation to the merger has become effective and binding. OUE H stapled securities are delisted with effect from 17 September 2019.
Viva Industrial Trust (“VIT”)	18 May 2018	<ul style="list-style-type: none"> ▪ VIT is a Singapore-focused business park and industrial S-REIT which was listed on the Main Board of the SGX-ST prior to the merger with ESR REIT. VIT has the principal investment strategy of investing in a diversified portfolio of income-producing real estate that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region. ▪ On 18 May 2018, ESR REIT and VIT announced the merger by way of a trust scheme of arrangement.
Croesus Retail Trust	28 June 2017	<ul style="list-style-type: none"> ▪ Croesus Retail Trust is an Asia-Pacific retail business trust focused on investing in a diversified portfolio of predominantly retail real estate assets located in Japan and the Asia-Pacific region. ▪ On 28 June 2017, the trustee-manager of Croesus Retail Trust announced the proposed acquisition by Blackstone Group.
Saizen REIT	23 October 2015	<ul style="list-style-type: none"> ▪ Saizen REIT’s portfolio comprises of 136 residential properties located in 14 Japanese cities. ▪ On 22 October 2015, the manager of Saizen REIT received an offer for the acquisition of its entire portfolio by Triangle TMK (a Japanese affiliate of Lone Star Funds).
Keppel Infrastructure Trust (“KIT”)	18 November 2014	<ul style="list-style-type: none"> ▪ KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation. ▪ KIT’s existing portfolio comprises the Senoko Waste-to-Energy Plant, Keppel Seghers Tuas Waste-to-Energy Plant and Keppel Seghers Ulu Pandan NEWater Plant in Singapore. ▪ On 18 November 2014, the trustee-manager of KIT announced the entry into two separate transactions: <ul style="list-style-type: none"> (i) the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd. which owns the Keppel Merlimau Cogen power plant; (ii) the disposal of the business undertaking and assets of KIT to CitySpring Infrastructure Trust (“CIT”). CIT will be the surviving trust and will be renamed KIT.

Source: CapitalIQ, Mergermarket and respective companies’ announcements, circulars and offer documents.

²⁴ Excludes the acquisition of Forterra Trust by New Precise Holdings which was unfair in the view of the relevant IFA.

11.1. Pricing Principle of the Combination

We have considered the basis on which the key financial terms of the Combination, namely the gross exchange ratio, the A-HTRUST Scheme Consideration and the Consideration Unit Price, are determined, which has been extracted from the Composite Document and is set out in italics below:

“The A-HTRUST Scheme Consideration is based on a gross exchange ratio of 0.836x, which was derived from the audited net asset value for each A-HTRUST Stapled Unit as at 31 March 2019 of S\$1.02 divided by the audited net asset value for each Ascott Reit Unit as at 31 December 2018 of S\$1.22.”

The Combination is proposed to be effected on an audited NAV-for-NAV basis in substance.

Based on publicly disclosed information, we observe that it is not uncommon for combination transactions of real estate companies / investment trusts to be priced on basis of the carrying values of the underlying properties, as evaluated by independent valuers, which are held by the respective transaction party. Recent examples include:

- Announced acquisition of Liberty Living’s student accommodation portfolio by UK-listed Unite Group plc for approx. GBP1.4bn in a NAV-for-NAV transaction from Canada Pension Plan Investment Board. Transaction consideration comprises a combination of shares and cash.
- Completed merger between Australia-listed Centuria Metropolitan REIT and Australia-listed Centuria Urban REIT with a combined property portfolio of approx. AUD601.9m in a NTA-for-NTA transaction. Transaction consideration comprises a combination of units and cash.

11.2. Evaluation of the A-HTRUST Scheme Consideration

11.2.1. Liquidity analysis of the A-HTRUST Stapled Units

In order to evaluate whether the historical market prices of the A-HTRUST Stapled Units provide a meaningful reference point for comparison with the A-HTRUST Scheme Consideration, we have considered the liquidity and free float of A-HTRUST relative to other select SGX-listed hospitality REITs as at the LUTD, as outlined below:

Liquidity analysis of A-HTRUST and other select SGX-listed hospitality REITs ⁽¹⁾						
Company Name	Market capitalisation (\$m)	Free Float (%) ⁽²⁾	Past 6 months ADTV ('000 shares)	Past 6 months ADTV (\$'000)	6-mth ADTV / Free Float (%) ⁽³⁾	6-mth ADTV / Market cap. (%) ⁽⁴⁾
CDL Hospitality	1,966	62.2%	1,807	2,894	0.24%	0.15%
Frasers Hospitality	1,345	38.4%	880	636	0.12%	0.05%
OUE Hospitality	1,312	51.5%	1,359	965	0.14%	0.07%
Far East Hospitality	1,295	40.1%	2,164	1,422	0.28%	0.11%
Max	1,966	62.2%	2,164	2,894	0.28%	0.15%
Mean	1,480	48.1%	1,553	1,479	0.20%	0.09%
Median	1,328	45.8%	1,583	1,193	0.19%	0.09%
Min	1,295	38.4%	880	636	0.12%	0.05%
A-HTRUST	1,108	92.1%	804	898	0.09%	0.07%

Source: Bloomberg and Capital IQ.

Notes:

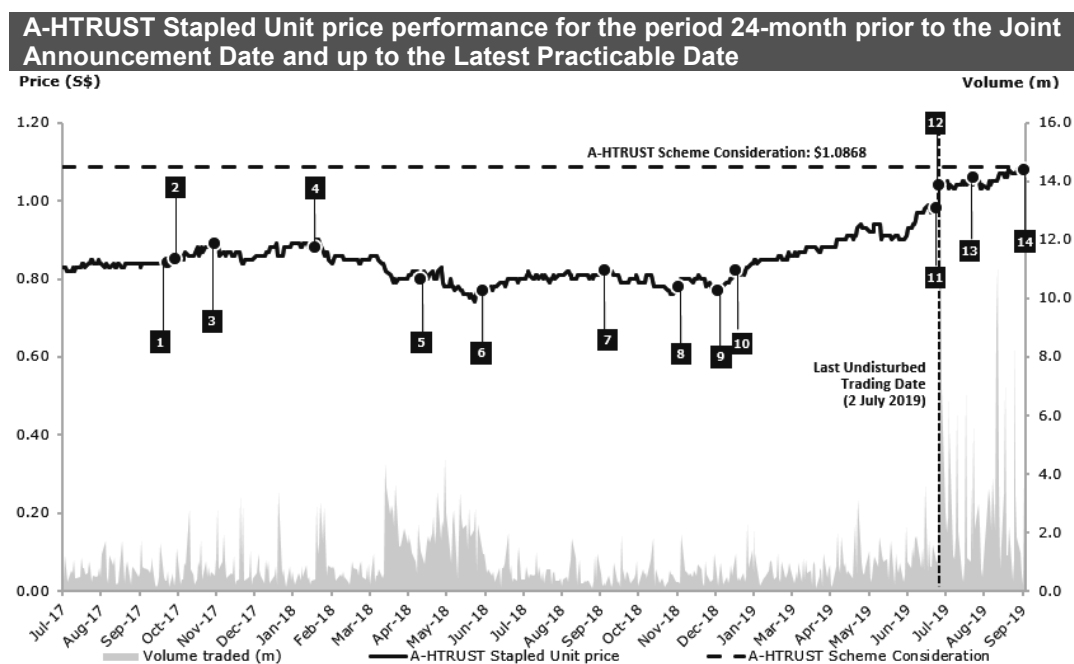
- (1) All figures are as at the Last Undisturbed Trading Date (“LUTD”), being 2 July 2019.
- (2) Free float percentages are based on Bloomberg.
- (3) 6-month average daily trading volume (“ADTV”) up to the LUTD, divided by free float number of units.
- (4) 6-month average daily trading value up to the LUTD, divided by market capitalisation.

Based on the above, we note that the trading liquidity of the A-HTRUST Stapled Units is below the mean and median of other select SGX-listed hospitality REITs for the 6-month period up to the LUTD.

We wish to highlight that the above analysis of the historical trading liquidity of the A-HTRUST Stapled Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the A-HTRUST Stapled Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

11.2.2. Market Prices and Trading Activity of the A-HTRUST Stapled Units

We set out below a chart outlining the daily closing prices and trading volume of the A-HTRUST Stapled Units for the period between the 24-month prior to 3 July 2019 and up to 12 September 2019.



Source: Capital IQ, A-HTRUST announcements.

A summary of the salient announcements made by A-HTRUST during the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date is set out below:

- | | |
|---------------|---|
| (1) 28-Sep-17 | As part of the regular board renewal process, Dr Choo Kian Koon Steven retired as independent director of the board of the managers and ceased to be Chairman of the remuneration committee and member of the investment committee. Mr Tan Chong Huat retired as independent director of the board of the managers and ceased to be |
|---------------|---|

	Member of the audit and risk committee and the remuneration committee.
(2) 5-Oct-17	Mr Willy Shee Ping Yah was appointed as an independent director and Chairman of the remuneration committee and member of the investment committee.
(3) 6-Nov-17	Investment scope of A-HTRUST was expanded to beyond Asia, Australia and New Zealand.
(4) 29-Jan-18	Entered into a conditional share purchase agreement with China Hospitality Bidco, Ltd. and China Hospitality Bidco 2, Ltd. to divest A-HBT's entire interests in (i) Ascendas China Hotel Investment Limited (" ACHIL "); and (ii) Ascendas Hospitality China Pte Ltd. for an aggregate consideration of RMB1,156.4 million (or approximately S\$235.9 million at an exchange rate of RMB1.00 = S\$0.204). ACHIL holds 100% interest in Ascendas (Beijing) Hotel Co., Ltd., which in turn holds Novotel Beijing Sanyuan. AHCPL holds 100% interest in Ascendas 2 (Beijing) Hotel Co., Ltd., which in turn holds Ibis Beijing Sanyuan.
(5) 27-Apr-18	Entered into a conditional sale and purchase agreement with a third-party vendor, KY-Development Co., Ltd. to acquire the land and hotel building known as "KY-Heritage Hotel Dongdaemun" located at 226 Jangchoongdan-ro, Jung-gu, Seoul, Korea for KRW73.0 billion (or approximately S\$90.1 million at an exchange rate of KRW810:S\$1.00). The acquisition was completed on 21 May 2018.
(6) 18-Jun-18	Entered into three conditional sale and purchase agreements with the vendor ES-CON JAPAN Ltd. to acquire the trust beneficiary interest in three hotels located in Osaka, Japan namely, Hotel WBF Kitasemba West, Hotel WBF Kitasemba East and Hotel WBF Honmachi. The acquisition of the trust beneficiary interest in Hotel WBF Kitasemba West and Hotel WBF Kitasemba East was completed on 28 September 2018 and the same for Hotel WBF Honmachi was completed on 20 December 2018.
(7) 28-Sep-18	As part of the A-HREIT Manager regular board renewal process, Mr Benson Puah Tuan Soon was retired from the board as lead independent director, the Chairman of the nominating committee and member of the audit and risk committee. Effective from 1 October 2018, Mr Robert van Rensselaer Hecker was appointed as independent director, member of the ARC and member of the investment committee; Mr Chia Kim Huat was appointed as lead independent director.
(8) 28-Nov-18	Entered into a conditional sale and purchase agreement with the Korean Teachers' Credit Union and KT&G Corp to acquire a 98.8% interest in "Ibis Ambassador Seoul Insadong", located at 31 Samil-daero 30-gil, Jongno-gu, Seoul, Republic of Korea for a purchase consideration of KRW76.5 billion (approximately S\$93.3 million at an exchange rate of KRW820:S\$1.00). The transaction was completed on 12 December 2018.
(9) 31-Dec-18	As part of the A-HREIT Manager regular board renewal process, Dr Ho Kim Wai was retired from the board as the Chairman of the audit and risk committee. Subsequently, Mr Patrick Lee Fook Yau was appointed as independent director, member of the ARC and member

	of the nominating and remuneration committee; and Ms Deborah Lee was appointed Chairman of the audit and risk committee. Ms Deborah Lee was already serving as a member of the audit and risk committee and the nominating and remuneration committee.
(10) 14-Jan-19	CapitaLand entered into a sale and purchase agreement with Ascendas-Singbridge Pte. Ltd. to purchase all the issued and paid-up ordinary shares in Ascendas Pte Ltd. and Singbridge Pte Ltd. for a total consideration of S\$6,035.9 million to be satisfied by a combination of cash and new ordinary shares in CapitaLand.
(11) 30-Jun-19	CapitaLand completed its acquisition of all the issues shares in each of Ascendas Pte Ltd. and Singbridge Pte. Ltd.
(12) 3-Jul-19	Proposed Combination of Ascott Reit and A-HTRUST by way of a trust scheme of arrangement.
(13) 1-Aug-19	Announcement of first quarter financial results
(14) 12-Sep-19	Latest Practicable Date

Source: A-HTRUST announcements.

Historical VWAPs of the A-HTRUST Stapled Units

We set out in the table below the historical volume weighted average prices (“VWAPs”) of the A-HTRUST Stapled Units for various reference periods up to and including the Last Undisturbed Trading Date and the Latest Practicable Date, respectively.

Historical VWAPs of the A-HTRUST Stapled Units							
Evaluation of the A-HTRUST Scheme Consideration (S\$1.0868 per A-HTRUST Stapled Unit)							
Reference period	Price Basis	Historical A-HTRUST VWAPs (S\$) ⁽¹⁾	Premium / (discount) to historical A-HTRUST VWAPs	ADTV ('000 shares) ⁽²⁾	ADTV / free float (%) ⁽³⁾	ADTV (S\$'000) ⁽⁴⁾	ADTV / market cap (%)
Periods up to the Last Undisturbed Trading Date (2 July 2019):							
Last Undisturbed Trading Date	Closing Price	0.975	11.5%	1,066	0.10%	1,035	0.09%
1-month	VWAP ⁽¹⁾	0.955	13.8%	1,264	0.12%	1,207	0.11%
3-month	VWAP ⁽¹⁾	0.913	19.0%	1,089	0.10%	1,010	0.09%
6-month	VWAP ⁽¹⁾	0.875	24.2%	898	0.09%	804	0.07%
12-month	VWAP ⁽¹⁾	0.824	31.9%	742	0.07%	634	0.06%
Period from the Joint Announcement Date up to the Latest Practicable Date (3 July 2019 to 12 September 2019):							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP ⁽¹⁾	1.051	3.4%	2,928	0.28%	3,076	0.25%
As at the Latest Practicable Date	Closing Price	1.080	0.6%	1,760	0.17%	1,909	0.16%

Source: Bloomberg.

Notes:

- (1) The VWAP is weighted based on the volume of the A-HTRUST Stapled Units traded and transacted prices of the A-HTRUST Stapled Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to unit prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period.
- (2) The average daily trading volume of the A-HTRUST Stapled Units is calculated based on the total volume of A-HTRUST Stapled Units traded divided by the number of Market Days during the relevant periods.
- (3) Free float is based on Bloomberg and refers to the number of A-HTRUST Stapled Units that are available to the public. This figure is calculated by subtracting the A-HTRUST Stapled Units held by insiders and those deemed to be stagnant shareholders from the A-HTRUST Stapled Units outstanding. Stagnant holders include ESOP's, ESOT's, QUEST's, employee benefit trusts, corporations not actively managing money, venture capital companies and A-HTRUST Stapled Units held by governments.
- (4) The average daily traded value of the A-HTRUST Stapled Units is calculated based on the total value of A-HTRUST Stapled Units traded divided by the number of Market Days during the relevant periods.

Based on the above table, we note that:

A. Periods up to the Last Undisturbed Trading Date (2 July 2019):

- (i) The A-HTRUST Scheme Consideration of S\$1.0868 represents a premium of 11.5% to the closing price of the A-HTRUST Stapled Units on the Last Undisturbed Trading Date;
- (ii) The A-HTRUST Scheme Consideration of S\$1.0868 represents a premium of 13.8%, 19.0%, 24.2% and 31.9% to the 1-month, 3-month, 6-month and 12-month VWAPs of the A-HTRUST Stapled Units, respectively;
- (iii) The average daily trading volume of the A-HTRUST Stapled Units as a percentage of the free float ranged between 0.07% and 0.12%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
- (iv) The average daily trading volume of the A-HTRUST Stapled Units as a percentage of the market capitalisation ranged between 0.06% and 0.11%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;

B. Period from the Joint Announcement Date up to the Latest Practicable Date (3 July 2019 to 12 September 2019):

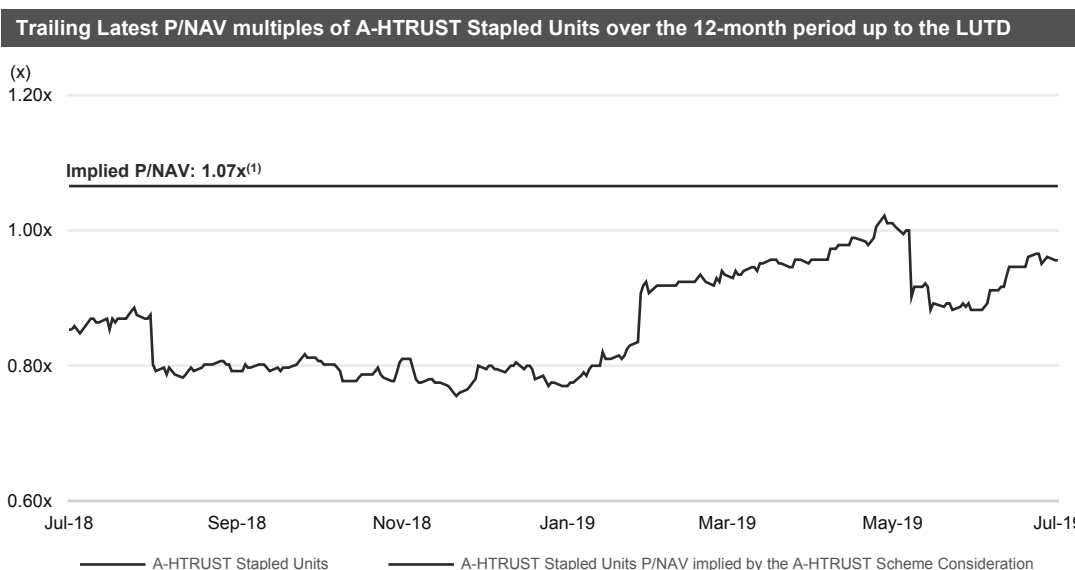
- (i) The A-HTRUST Scheme Consideration of S\$1.0868 represents a premium of 0.6% to the closing price of the A-HTRUST Stapled Units on the Latest Practicable Date;
- (ii) The A-HTRUST Scheme Consideration of S\$1.0868 represents a premium of 3.4% over the VWAP of the A-HTRUST Stapled Units for the period from the Joint Announcement Date up to the Latest Practicable Date;
- (iii) The average daily trading volume of the A-HTRUST Stapled Units as a percentage of the free float ranged between 0.17% and 0.28% for the period from the Joint Announcement Date to the Latest Practicable Date; and
- (iv) The average daily trading volume of the A-HTRUST Stapled Units as a percentage of the market capitalisation ranged between 0.16% and 0.25% for the period from the Joint Announcement Date to the Latest Practicable Date.

We wish to highlight that our analysis of the past price performance of the A-HTRUST Stapled Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Combined Entity, prevailing economic conditions, economic outlook, market conditions and sentiments.

11.2.3. Trailing Latest P/NAV multiples of the A-HTRUST Stapled Units relative to the Latest P/NAV multiple implied by the A-HTRUST Scheme Consideration

For the purpose of evaluating the financial terms of the Combination, we have made reference to the Latest P/NAV multiples (based on the latest reported audited net asset values) of A-HTRUST Stapled Units to evaluate how the Latest P/NAV multiple implied by A-HTRUST Scheme Consideration compares to them.

In the chart below we have compared the Latest P/NAV multiple implied by the A-HTRUST Scheme Consideration to the trailing Latest P/NAV multiples of the A-HTRUST Stapled Units over the 12-month period up to and including the Last Undisturbed Trading Dates.



P/NAV implied by the A-HTRUST Scheme Consideration		1.07x		
Period up to the LUTD	Min	Mean	Median	Max
1 month	0.88x	0.94x	0.95x	0.97x
3 months	0.88x	0.94x	0.96x	1.02x
6 months	0.76x	0.89x	0.89x	1.04x
12 months	0.76x	0.86x	0.85x	1.02x

Source: Capital IQ.

Note:

(1) Based on A-HTRUST Scheme Consideration of S\$1.0868 per A-HTRUST Stapled Unit and reported audited NAV per A-HTRUST Stapled Unit of S\$1.02 as at 31 March 2019.

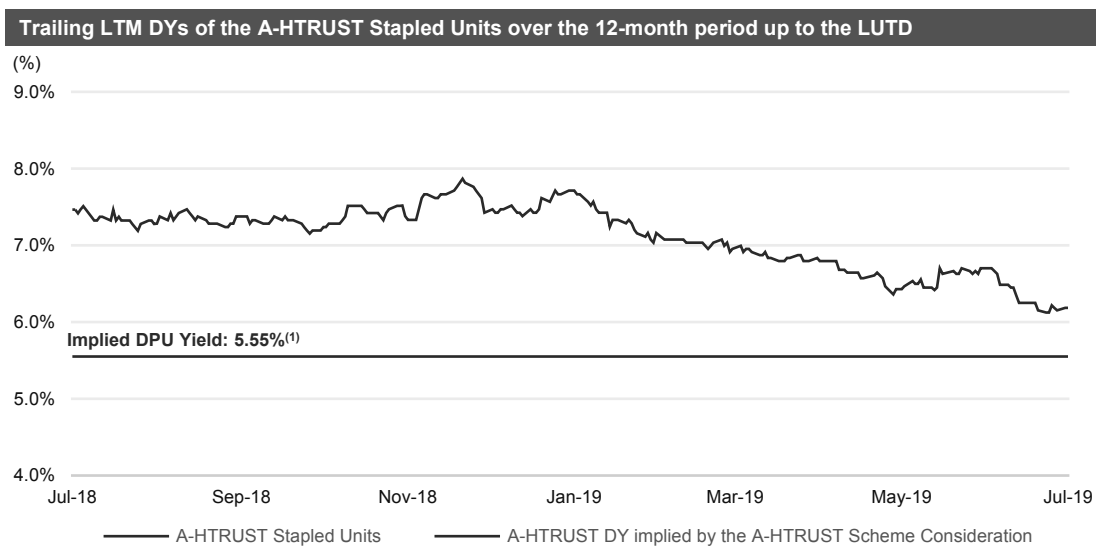
Based on the above, we note that the Latest P/NAV multiple implied by the A-HTRUST Scheme Consideration of 1.07x is above the range of the trailing Latest P/NAV multiples of the A-HTRUST Stapled Units over the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of A-HTRUST Stapled Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

11.2.4. Trailing LTM DYs of the A-HTRUST Stapled Units relative to the DY implied by the A-HTRUST Scheme Consideration

For the purposes of evaluating the financial terms of the Combination, we have made reference to the trailing LTM DYs of the A-HTRUST Stapled Units to evaluate how the LTM DY implied by the A-HTRUST Scheme Consideration compares to them.

In the chart below we have compared the LTM DY implied by the A-HTRUST Scheme Consideration to the trailing DYs of the A-HTRUST Stapled Units over the 12-month period up to and including the Last Undisturbed Trading Date.



DPU Yield implied by the A-HTRUST Scheme Consideration		5.55%		
Period up to the LUTD	Min	Mean	Median	Max
1 month	6.12%	6.32%	6.25%	6.70%
3 months	6.12%	6.51%	6.56%	6.80%
6 months	6.12%	7.03%	7.08%	7.92%
12 months	6.12%	7.11%	7.28%	7.87%

Source: Capital IQ.

Note:

(1) Based on the A-HTRUST Scheme Consideration of S\$1.0868 per A-HTRUST Stapled Unit and 12-month DPU of 6.03 Singapore cents as at 31 March 2019.

Based on the above, we note that the LTM DY implied by the A-HTRUST Scheme Consideration of 5.55% is below the range of the trailing DYs of the A-HTRUST Stapled Units over the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the A-HTRUST Stapled Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

11.2.5. Valuation Multiples of the selected Comparable Hospitality REITs

For the purpose of evaluating the A-HTRUST Scheme Consideration, references were made to the listed REITs which invest primarily in hospitality real estate properties and are considered to be broadly comparable to A-HTRUST to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

Based on A-HTRUST's financials for the year ended 31 March 2019, A-HTRUST's portfolio comprises properties located in Japan, Australia, Singapore and South Korea, representing 38%, 34%, 18% and 10% of its total portfolio value, respectively. Accordingly, we have selected a set of Comparable Hospitality REITs with primary businesses in Singapore, Japan and Australia.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable Hospitality REITs along with certain other financial parameters as set out below:

Name	Market Cap (S\$m)	Latest P/NAV ⁽¹⁾	LTM DY ⁽¹⁾
Singapore / Malaysia Hospitality REITs (pure play)			
CDL	1,999	1.10x	5.52%
Frasers	1,354	0.98x	6.36%
Far East	1,316	0.80x	5.61%
YTL	771 ⁽²⁾	0.85x	5.75%
Min		0.80x	5.52%
Mean		0.93x	5.77%
Median		0.92x	5.68%
Max		1.10x	6.20%
Japan Hospitality REITs ⁽³⁾ (pure play)			
Japan Hotel	4,669	1.61x	4.76%
Hoshino Resorts	1,603	1.18x	4.57%
MORI Trust	894	1.35x	4.55%
Ichigo Hotel	427	1.03x	6.61%
Min		1.03x	4.55%
Mean		1.29x	5.12%
Median		1.27x	4.67%
Max		1.61x	6.61%
Australia Hospitality REIT			
Hotel Property Investments	484 ⁽⁴⁾	1.19x	5.70%
Overall			
Min		0.80x	4.55%
Mean		1.12x	5.49%
Median		1.10x	5.61%
Max		1.61x	6.61%
A-HTRUST Scheme Consideration⁽¹⁾		1.07x	5.55%

Source: Capital IQ, published financial statements of the respective Comparable Hospitality S-REITs, market data as at 12 September 2019 (LPD).

Notes:

- (1) NAV and distribution based on latest reported financials prior to the LPD, being 12 September 2019.
- (2) Market capitalisation converted to S\$ at SGD1:MYR3.028.
- (3) Market capitalisation converted to S\$ at SGD1:JPY78.078.
- (4) Market capitalisation converted to S\$ at SGD1:AUD1.057. Hotel Property Investment has a portfolio of 43 pubs and accommodation assets in Australia.

Based on the above, we note that:

- (i) The Latest P/NAV multiple implied by A-HTRUST Scheme Consideration of 1.07x is within the range of the P/NAV multiples of the Comparable Hospitality REITs (overall) of 0.80x to 1.61x and is below the mean and median of 1.12x and 1.10x, respectively; and
- (ii) The LTM DY implied by A-HTRUST Scheme Consideration of 5.55% is within the range of the LTM DY of the Comparable Hospitality REITs (overall) of 4.55% to 6.61% and is above the mean of 5.49% but below the median of 5.61%.

We recognise, however, that the list of the Comparable Hospitality REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to A-HTRUST in terms of business activities, scale of operations, types of products, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable Hospitality REITs and A-HTRUST may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable Hospitality REITs is therefore intended to serve as an illustrative guide only.

11.2.6. Analysis of the premium/discount to NAV of the Precedent Transactions

We have conducted the Precedent Transactions analysis on the basis of premium/discount to NAV for M&A transactions of listed REITs and business trusts in Singapore announced and completed since 1 July 2014.

We wish to highlight that the list of target companies set out under the Precedent Transactions are not directly comparable with A-HTRUST in terms of business activities, market capitalisation, size of operations, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium (if any) that an offeror would pay in respect of any particular M&A transaction depends on various factors, inter alia, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the A-HTRUST Scheme Consideration with the Precedent Transactions set out below is for illustrative purposes only.

Premium/(Discount) to NAV of selected Precedent Transactions

	Target	Premium / (Discount) to NAV
(1)	OUE H	(0.4)%
(2)	Saizen REIT	0.2%
(3)	Keppel Infrastructure Trust	10.0%
(4)	Croesus Retail Trust	23.2%
(5)	VIT	26.3%
	Min	(0.4)%
	Mean	11.9%
	Median	10.0%
	Max	26.3%
A-HTRUST Scheme Consideration		7.0%

Source: CapitalIQ, Mergermarket, respective companies' announcements, circulars and offer documents.

Notes:

- (1) Based on consideration of S\$0.747 per OUE H unit (computed on basis of S\$0.52 last closing price of OUE Commercial REIT units on the last full market trading day on 5 April 2019 prior to the joint announcement date) and NAV of S\$0.750 as at 31 Dec 2018.
- (2) The estimated implied net offer price per unit of S\$1.162 is based on the NAV per unit attributable to unitholders as at 30 June 2015 (including cash and cash equivalents) and adjusted for property transactions of Saizen REIT in August 2015, distributions paid by Saizen REIT on 28 September 2015, capital expenditures after 30 June 2015, provisions for claims on remediation works, non-cash and fair value adjustments, and costs and expenses related to the transaction.
- (3) The last traded price of the KIT units on the last trading day was S\$1.0400. The transaction unit price is based on the swap ratio which was derived using the 180-day VWAP of CIT units (being approximately S\$0.4960 per CIT unit) and KIT units (being approximately S\$1.0446 per KIT unit).
- (4) Based on the consideration offer price of S\$1.17 in cash per unit and NAV of S\$0.95.
- (5) Based on implied offer price of S\$0.96 for each VIT unit and VIT NAV of S\$0.76 per unit.

Based on the above, we note that the premium to NAV of 7% implied by the A-HTRUST Scheme Consideration is below the mean and median of 11.9% and 10.0%, respectively, of the Precedent Transactions.

We note that the premium to NAV per A-HTRUST Stapled Unit implied by the A-HTRUST Scheme Consideration shall be viewed in connection with the pricing principle of the Combination being on an audited NAV-for-NAV basis in substance. The implied premium to NAV per Ascott Reit Unit implied by the Consideration Unit Price is also 7.0% correspondingly.

11.2.7. Precedent Takeovers Premia

We have reviewed selected completed takeovers in Singapore and premiums paid between 1 July 2016 and the Latest Practicable Date which are set out below:

Note	Announcement Date	Target	Acquirer	Premium / (Discount) to VWAP Prior to Announcement				
				Closing	1-Month	3-Month	6-Month	12-Month
1	6-May-19	800 Super Holdings	Lee Family and KKR	16.1%	30.8%	31.2%	25.3%	17.6%
2	28-Dec-18	M1 Limited	Keppel Konnect, SPH Multimedia	26.4%	29.9%	29.0%	21.8%	18.1%
3	29-Oct-18	Cityneon Holdings Ltd	Mr. Ko Chun Shun and Thunderlane Ventures	4.1%	6.9%	11.9%	15.7%	19.2%
4	19-Jul-18	Wheelock Properties (S)	Wheelock Investments Limited	22.7%	29.0%	22.7%	17.8%	13.3%
5	21-Feb-18	Lee Metal Group Ltd	BRC Asia Ltd	9.1%	14.1%	21.4%	26.5%	31.3%
6	11-Jan-18	Tat Hong Holdings Limited	SCPE and management	42.9%	47.5%	49.1%	40.3%	44.0%

45

7	3-Nov-17	Cogent Holdings	COSCO Shipping	5.2%	6.2%	12.7%	20.3%	30.6%
8	22-Sep-17	GP Batteries	GP Industries Limited	62.5%	62.9%	62.7%	61.1%	61.5%
9	20-Sep-17	Poh Tiong Choon	Respond Logistics	1.6%	32.5%	43.2%	48.7%	58.1%
10	8-Sep-17	BRC Asia Limited	Toptip Holding	33.1%	30.3%	35.3%	42.0%	47.0%
11	13-Jul-17	Global Logistic Properties	Nesta Investment Holdings	64.1%	67.4%	72.4%	76.5%	80.6%
12	28-Jun-17	Croesus Retail Trust	Blackstone Group	24.5%	26.2%	32.1%	34.5%	37.6%
13	29-May-17	Changtian Plastic	United Tech Industries	45.3%	46.6%	48.2%	49.6%	62.9%
14	2-May-17	Nobel Design	Grand Slam RF18	8.5%	9.4%	15.9%	18.6%	22.6%
15	9-Apr-17	CWT Limited	HNA Belt and Road	5.9%	6.4%	14.8%	27.3%	30.9%
16	23-Feb-17	Global Premium Hotels	JK Global Capital	14.1%	18.1%	21.7%	23.3%	22.5%
17	7-Feb-17	Auric Pacific	Silver Creek Capital	13.4%	17.8%	23.8%	35.8%	59.6%
18	8-Nov-16	ARA Asset Management	Athena Investment	26.2%	29.6%	30.3%	31.7%	43.9%
19	3-Nov-16	Super Group	Jacobs Douwe Egberts	62.5%	60.5%	62.5%	55.9%	51.0%
20	24-Oct-16	China Auto Electronics	THB Auto Electronics	23.1%	56.9%	65.0%	65.0%	86.1%
21	6-Sep-16	China Minzhong Food	Pure Gold Investment	25.0%	24.8%	23.1%	25.9%	35.4%
22	8-Aug-16	Sim Lian Group	Coronation 3G	14.9%	16.6%	19.5%	21.3%	23.0%
23	15-Jul-16	SMRT	Temasek	8.7%	10.8%	10.7%	8.7%	15.5%

High	64.1%	67.4%	72.4%	76.5%	86.1%
Mean	24.3%	29.6%	33.0%	34.5%	39.7%
Median	22.7%	29.0%	29.0%	27.3%	35.4%
Low	1.6%	6.2%	10.7%	8.7%	13.3%

24	A-HTRUST Scheme Consideration	11.5%	13.8%	19.0%	24.2%	31.9%
-----------	--------------------------------------	--------------	--------------	--------------	--------------	--------------

Source: Capital IQ, Bloomberg and relevant offer documents.

Notes:

- (1) Date reference in calculating the premium is 26 April 2019, being the last trading date prior to the offer announcement date. The premia is calculated based on the offer price of S\$0.90 per share.
- (2) Date reference in calculating the premium is 21 September 2018, being the last trading date prior to the pre-conditional offer announcement date. The premia is calculated based on the offer price of S\$2.06 per share.
- (3) Date reference in calculating the premia is 29 October 2018, being the last full trading day of Cityneon Holdings Ltd. on SGX-ST prior to the making of the announcement of the mandatory unconditional cash offer for all the issued ordinary shares in the capital of Cityneon Holdings Ltd. The market premia is calculated based on the offer price of S\$1.30 per share.
- (4) Date reference in calculating the premia is 13 July 2018 being the last trading day prior to the offer announcement date. The premia is calculated based on the offer price of S\$2.10.
- (5) Date reference in calculating the premia is 11 November 2017, being the last full trading day when Lee Metal Group announce that certain shareholders have received an unsolicited approach in connection with a potential transaction.
- (6) Date reference in calculating the premia is 20 September 2017, being the last full trading day of Tat Hong Holdings Ltd. on SGX-ST prior to the making of the announcement that the company had been approached by certain parties in connection with a potential transaction in relation to the securities of the company and the company had appointed Rippledot Capital Advisers Pte. Ltd. as its financial adviser in connection with such approaches. The market premia is calculated based on the revised offer price of S\$0.55 per share.
- (7) Date reference in calculating the premia is 2 November 2017, being the last full trading day of Cogent Holdings on SGX-ST prior to the making of the announcement of the voluntary conditional cash offer for all the issued ordinary shares in the capital of Cogent Holdings. The market premia is calculated based on the offer price of S\$1.02 per share.
- (8) Date reference in calculating the premia is 10 August 2017, being the pre-conditional offer announcement date by GP Batteries. The market premia is calculated based on the offer price of S\$1.30 per share.

- (9) Date reference in calculating the premia is 19 September 2016, being the last undisturbed trading day and last full trading day prior to the announcement on 23 September 2016 regarding a strategic review by Poh Tiong Choon. The market premia is calculated based on the offer price of S\$1.30 per share.
- (10) Date reference in calculating the premia is 30 May 2017, being the last full trading day of BRC Asia on SGX-ST prior to the holding announcement date. The market premia is calculated based on the offer price of S\$0.925 per share.
- (11) Date reference in calculating the premia is 30 November 2016, being the unaffected share price date, which is the last trading day immediately before 1 December 2016, being the date on which the company released the announcement in respect of the undertaking of an independent strategic review. The market premia is calculated based on the offer price of S\$3.38 per share.
- (12) Date reference in calculating the premia is 29 May 2017, being the offer announcement date by Changtian Plastic & Chemical. The market premia is calculated based on the offer price of S\$1.30 per share.
- (13) Date reference in calculating the premia is 2 May 2017, being the offer announcement date by Nobel Design. The market premia is calculated based on the offer price of S\$0.51 per share.
- (14) Date reference in calculating the premia is 26 April 2017, being the date of the initial holding announcement. The respective VWAPs are with reference to the relevant periods up to and including 25 April 2017. The market premia is calculated based on the offer price of S\$1.17 in cash for each unit.
- (15) Date reference in calculating the premia is 3 August 2015, being the unaffected date and the last traded date prior to the announcement regarding a strategic review. The market premia is calculated based on the offer price of S\$2.33 per share.
- (16) Date reference in calculating the premia is 20 February 2017, being the last trading date prior to the offer announcement by Global Premium Hotels. The market premia is calculated based on the offer price of S\$0.365 per share.
- (17) Date reference in calculating the premia is 3 February 2017, being the last trading day of the shares of Auric Pacific on the SGX-ST preceding the announcement by Silver Creek Capital in making a voluntary conditional cash offer for all the issued ordinary shares in the capital of Auric Pacific Group Limited. The market premia is calculated based on the offer price of S\$1.65 per share.
- (18) Date reference in calculating the premia is 2 November 2016, being the last full trading day of the ARA Asset Management Ltd shares prior to the date on which trading in the shares was halted following a query regarding trading activity received on 3 November 2016 from the SGX-ST. The market premia is calculated based on the Scheme Consideration of S\$1.78 per share.
- (19) Date reference in calculating the premia is 4 October 2016, being the last full day of trading of Super Group Ltd shares prior to the date on which a query regarding trading activity was received on 5 October from the SGX-ST. The market premia is calculated based on the offer price of S\$1.30 per share.
- (20) Date reference in calculating the premia is 18 October 2016, being the last trading day of the shares of China Auto Electronics Group Limited on the SGX-ST preceding the announcement by THB Auto Electronics Limited in making a mandatory unconditional cash offer for all the issued ordinary shares in the capital of China Auto Electronics Group Limited. The market premia is calculated based on the offer price of S\$0.16 per share.
- (21) Date reference in calculating the premia is 30 August 2016, being the last trading day prior to the pre-Conditional offer by Pure Gold Investment Holdings in respect of the voluntary conditional offer to acquire all the issued and paid-up ordinary shares in the capital of China Minzhong Food Corporation Limited. The market premia is calculated based on the offer price of S\$1.20 per share.
- (22) Date reference in calculating the premia is 4 August 2016, being the last full market day immediately prior to the date of the announcement of the offer from Coronation 3G Pte Ltd. in respect of the voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Sim Lian Group Limited. The market premia is calculated based on the offer price of S\$1.08 per share.
- (23) Date reference in calculating the premia is 15 July 2016, being the last trading day of the shares of SMRT Corporation Limited on the SGX-ST preceding the holding announcement. Belford Investments Private Limited subsequently announced a proposed acquisition of SMRT Corporation Limited by way of a scheme. The market premia is calculated based on the scheme consideration of S\$1.68 per share.
- (24) Date reference in calculating the premia is 2 July 2019, being the last trading day prior to the Joint Announcement on 3 July 2019.

We note that the premia implied by the A-HTRUST Scheme Consideration in connection with the Combination to the VWAPs over the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date are lower than the mean and median of the Precedent Takeovers Premia.

11.3. Evaluation of the Consideration Unit Price

11.3.1. Liquidity analysis of the Ascott Reit Units

In order to evaluate whether the historical market prices of the Ascott Reit Units provide a meaningful reference point for comparison with the Consideration Unit Price, we have considered the liquidity and free float of Ascott Reit relative to other select SGX-listed hospitality REITs as at the LUTD, as outlined below:

Liquidity analysis of Ascott Reit and other select SGX-listed Hospitality REITs ⁽¹⁾						
Company Name	Market capitalisation (\$m)	Free Float (%) ⁽²⁾	Past 6 months ADTV ('000 shares)	Past 6 months ADTV (\$'000)	6-mth ADTV / Free Float (%) ⁽³⁾	6-mth ADTV / Market cap. (%) ⁽⁴⁾
CDL Hospitality	1,966	62.2%	1,807	2,894	0.24%	0.15%
Frasers Hospitality	1,345	38.4%	880	636	0.12%	0.05%
OUE Hospitality	1,312	51.5%	1,359	965	0.14%	0.07%
Far East Hospitality	1,295	40.1%	2,164	1,422	0.28%	0.11%
Max	1,966	62.2%	2,164	2,894	0.28%	0.15%
Mean	1,480	48.1%	1,553	1,479	0.20%	0.09%
Median	1,328	45.8%	1,583	1,193	0.19%	0.09%
Min	1,295	38.4%	880	636	0.12%	0.05%
Ascott Reit	2,849	55.0%	3,810	3,191	0.27%	0.13%

Source: Bloomberg and Capital IQ.

Notes:

- (1) All figures are as at the LUTD.
- (2) Free float percentages are based on Bloomberg.
- (3) 6-month average daily trading volume up to the LUTD, divided by free float number of units.
- (4) 6-month average daily trading value up to the LUTD, divided by market capitalisation.

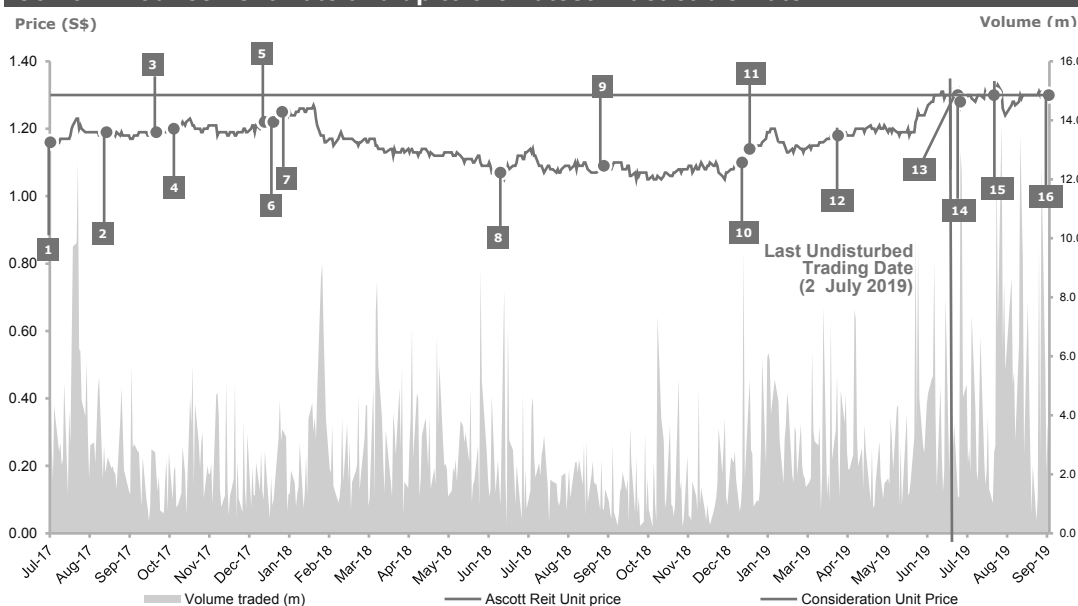
Based on the above, we note that the trading liquidity of the Ascott Reit Units is above the mean and median of other select SGX-listed hospitality REITs for the 6-month period up to the LUTD.

We wish to highlight that the above analysis of the historical trading liquidity of the Ascott Reit Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the Ascott Reit Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

11.3.2. Market Prices and Trading Activity of the Ascott Reit Units

Pursuant to the Scheme Implementation Agreement and subject to the A-HTRUST Scheme becoming effective in accordance with its terms, the A-HTRUST Scheme Consideration shall be partially satisfied by the allotment and issue by Ascott Reit of new Consideration Units. Accordingly, we have considered the current and historical trading performance of the Ascott Reit Units for the period between the 24-month prior to 3 July 2019 and up to 12 September 2019.

Ascott Reit Unit price performance for the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date



Source: Capital IQ, Ascott Reit announcements.

A summary of the salient events and announcements made by Ascott Reit during the 24-month period prior to the Joint Announcement Date and up to the Latest Practicable Date is set out below:

(1) 3-Jul-17	Entered into two conditional sale and purchase agreements with an unrelated third party to divest 100% interests in two serviced residence properties in China - Citadines Biyun Shanghai and Citadines Gaoxin Xi'an.
(2) 17-Aug-17	Completed the acquisition of the hotel property known as DoubleTree by Hilton Hotel New York - Times Square South located at 341 West 36th Street, New York, New York, 10018, United States of America and the freehold interest in the land of the hotel property
(3) 26-Sep-17	Fitch assigned a "BBB" Long-Term Issuer Default Rating with Stable Outlook to ART. The agency also assigned a "BBB" senior unsecured rating to Ascott REIT, and to its S\$1 billion multicurrency outstanding medium term notes programme.
(4) 10-Oct-17	Completed the acquisition of Ascott Orchard Singapore from CH Commercial Pte. Ltd. And CH Residential Pte. Ltd. for an aggregate purchase consideration of S\$405.0 million.
(5) 22-Dec-17	Renewal of the existing master lease agreements in respect of four properties located in France when they expire via entry into new master lease agreements. These four properties are La Clef Louvre Paris, Citadines Place d'Italie Paris, Citadines Les Halles Paris and Citadines Presqu'île Lyon.
(6) 29-Dec-17	Appointment of Mr Lim Cho Pin Andrew Geoffrey as a non-executive non-independent director.
(7) 5-Jan-18	Completed the divestment of the 100% interests in Citadines Biyun Shanghai and Citadines Gaoxin Xi'an.
(8) 29-Jun-18	Retirement of Mr Lim Ming Yan as Deputy Chairman and non-executive non-independent director.

49

(9) 20-Sep-18	Acquired a 60-year leasehold prime greenfield site in one-north for development purpose from JTC Corporation for S\$62.4 million.
(10) 9-Jan-19	Entered into a sale and purchase agreement with an unrelated party to divest Ascott Raffles Place Singapore at 2 Finlayson Green, Singapore 049247 for an aggregate purchase consideration of S\$353.3 million. The divestment was completed on 9 May 2019.
(11) 14-Jan-19	CapitaLand entered into a sale and purchase agreement with Ascendas-Singbridge Pte. Ltd. to purchase all the issued and paid-up ordinary shares in Ascendas Pte Ltd. and Singbridge Pte Ltd. for a total consideration of S\$6,035.9 million to be satisfied by a combination of cash and new ordinary shares in CapitaLand.
(12) 27-Mar-19	Acquired Felix Hotel, a prime freehold limited-service business hotel located in close proximity to Sydney Airport, for A\$60.6 million. The acquisition was completed in May 2019 and the 150-room property was rebranded as Citadines Connect Sydney Airport.
(13) 30-Jun-19	CapitaLand completed its acquisition of all the issues shares in each of Ascendas Pte Ltd. and Singbridge Pte. Ltd.
(14) 3-Jul-19	Proposed Combination of Ascott Reit and A-HTRUST by way of a trust scheme of arrangement.
(15) 30-Jul-19	Announcement of second quarter result ended 30 June 2019
(16) 12-Sep-19	Latest Practicable Date

Source: Ascott Reit announcements.

Historical VWAPs of the Ascott Reit Units

We set out in the table below the historical volume weighted average prices (“VWAPs”) of the Ascott Reit Units for various reference periods up to the Last Undisturbed Trading Date and the Latest Practicable Date, respectively.

Historical VWAPs of Ascott Reit							
Evaluation of the Consideration Unit Price (S\$1.30 per Ascott Reit Unit)							
Reference period	Price Basis	Historical Ascott Reit VWAPs (S\$) ⁽¹⁾	Premium / (discount) to historical Ascott Reit VWAPs	ADTV ('000 shares) ⁽²⁾	ADTV / free float (%) ⁽³⁾	ADTV (S\$'000) ⁽⁴⁾	ADTV / market cap (%)
Periods up to the Last Undisturbed Trading Date (2 July 2019):							
Last Undisturbed Trading Date	Closing Price	1.310	(0.8%)	1,262	0.11%	1,649	0.06%
1-month	VWAP ⁽¹⁾	1.287	1.0%	3,564	0.30%	4,587	0.16%
3-month	VWAP ⁽¹⁾	1.233	5.4%	3,251	0.27%	4,008	0.14%
6-month	VWAP ⁽¹⁾	1.194	8.9%	3,191	0.27%	3,810	0.13%
12-month	VWAP ⁽¹⁾	1.152	12.8%	2,492	0.21%	2,872	0.10%
Period from the Joint Announcement Date up to the Latest Practicable Date (3 July 2019 to 12 September 2019):							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP ⁽¹⁾	1.293	0.5%	4,843	0.17%	6,262	0.52%
As at the Latest Practicable Date	Closing Price	1.300	0.0%	1,271	0.04%	1,658	0.14%

Source: Bloomberg.

Notes:

- (1) The VWAP is weighted based on the volume of the Ascott Reit Units traded and transacted prices of the Ascott Reit Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to unit prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period.

- (2) The average daily trading volume of the Ascott Reit Units is calculated based on the total volume of Ascott Reit Units traded divided by the number of Market Days during the relevant periods.
- (3) Free float is based on Bloomberg and refers to the number of Ascott Reit Units that are available to the public. This figure is calculated by subtracting the Ascott Reit Units held by insiders and those deemed to be stagnant shareholders from the Ascott Reit Units outstanding. Stagnant holders include ESOP's, ESOT's, QUEST's, employee benefit trusts, corporations not actively managing money, venture capital companies and Ascott Reit Units held by governments.
- (4) The average daily traded value of the Ascott Reit Units is calculated based on the total value of Ascott Reit Units traded divided by the number of Market Days during the relevant periods.

Based on the above table, we note that:

A. Periods up to the Last Undisturbed Trading Date (2 July 2019):

- (i) The Consideration Unit Price of S\$1.30 represents a discount of 0.8% to the closing price of the Ascott Reit Units on the Last Undisturbed Trading Date;
- (ii) The Consideration Unit Price of S\$1.30 represents a premium of 1.0%, 5.4%, 8.9% and 12.8% to the 1-month, 3-month, 6-month and 12-month VWAPs of the Ascott Reit Units, respectively;
- (iii) The average daily trading volume of the Ascott Reit Units as a percentage of the free float ranged between 0.21% and 0.30%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
- (iv) The average daily trading volume of the Ascott Reit Units as a percentage of the market capitalisation ranged between 0.10% and 0.16%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;

B. Period from the Joint Announcement Date up to the Latest Practicable Date (3 July 2019 to 12 September 2019):

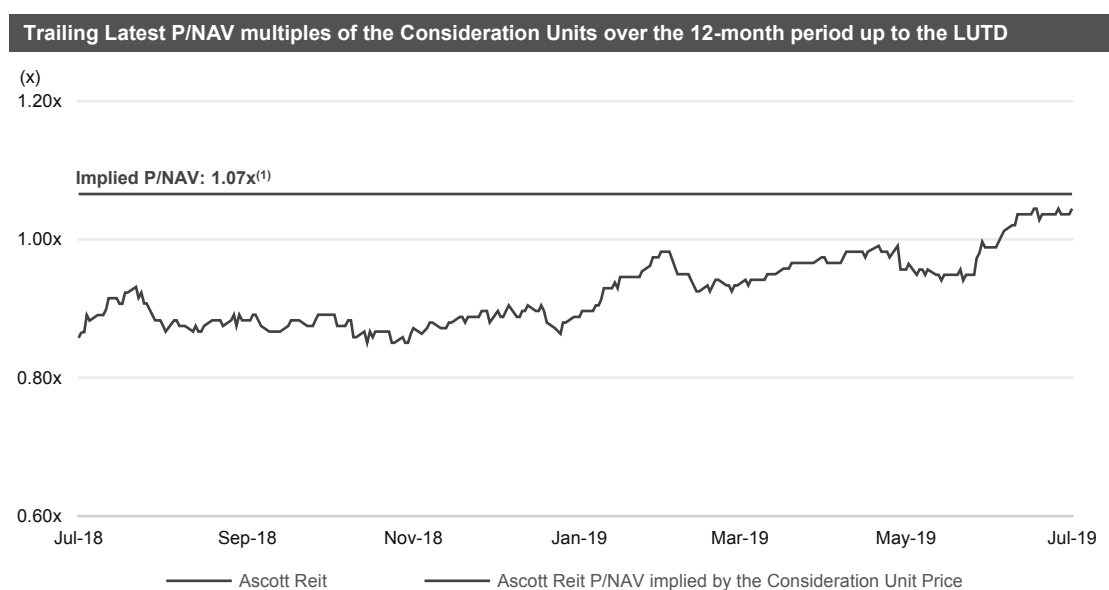
- (i) The Consideration Unit Price of S\$1.30 is equivalent to the closing price of the Ascott Reit Units on the Latest Practicable Date;
- (ii) The Consideration Unit Price of S\$1.30 represents a premium of 0.5% over the VWAP of the Ascott Reit Units for the period from the Joint Announcement Date up to the Latest Practicable Date;
- (iii) The average daily trading volume of the Ascott Reit Units as a percentage of the free float ranged between 0.04% and 0.17% for the period from the Joint Announcement Date to the Latest Practicable Date; and
- (iv) The average daily trading volume of the Ascott Reit Units as a percentage of the market capitalisation ranged between 0.14% and 0.52% for the period from the Joint Announcement Date to the Latest Practicable Date.

We wish to highlight that our analysis of the past price performance of the Ascott Reit Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook, market conditions and sentiments.

11.3.3. Trailing Latest P/NAV multiples of the Ascott Reit Units relative to the Latest P/NAV multiple implied by the Consideration Unit Price

For the purpose of evaluating the financial terms of the Combination, we have made reference to the trailing latest (“Latest”) P/NAV multiples (based on the latest reported audited net asset values) of the Consideration Units to evaluate how the Latest P/NAV multiple implied by the Consideration Unit Price compares to them.

In the chart below we have compared the Latest P/NAV multiple implied by the Consideration Unit Price to the trailing Latest P/NAV multiples of the Consideration Units over the 12-month period up to and including the Last Undisturbed Trading Date.



P/NAV implied by the Consideration Unit Price		1.07x		
Period up to the LUTD	Min	Mean	Median	Max
1 month	0.99x	1.03x	1.04x	1.04x
3 months	0.94x	0.99x	0.98x	1.04x
6 months	0.89x	0.97x	0.96x	1.04x
12 months	0.85x	0.92x	0.91x	1.04x

Source: Capital IQ

Note:

(1) Based on the Consideration Unit Price of S\$1.30 and reported audited NAV per Ascott Reit Unit of S\$1.22 as at 31 December 2018.

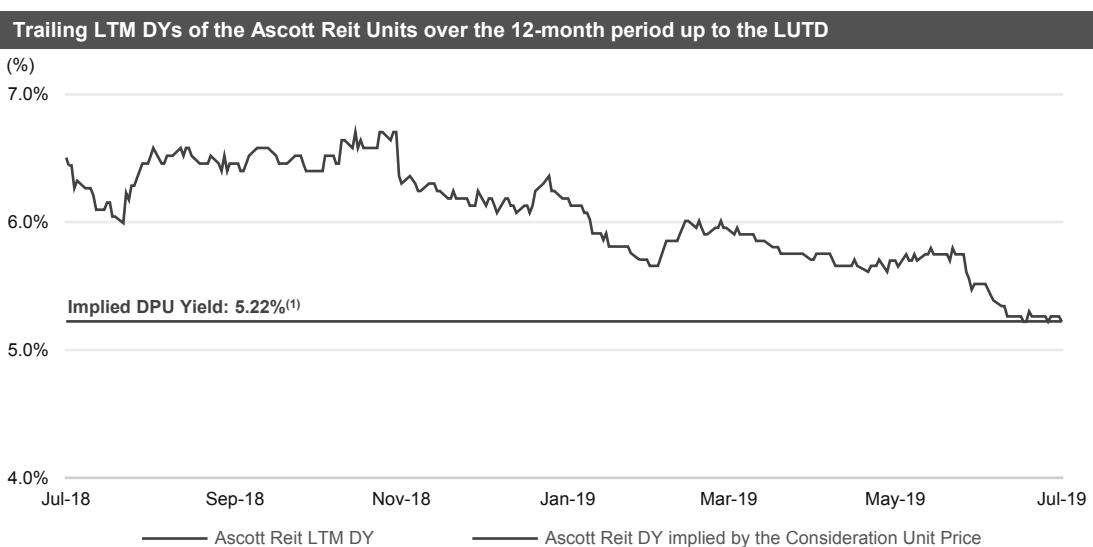
Based on the above, we note that the Latest P/NAV multiple implied by the Consideration Unit Price of 1.07x is above the range of the trailing Latest P/NAV multiples of the Ascott Reit Units over the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the Ascott Reit Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

11.3.4. Trailing LTM DYs of the Ascott Reit Units relative to the LTM DY implied by the Consideration Unit Price

For the purposes of evaluating the financial terms of the Combination, we have made reference to the trailing last 12-month (“LTM”) DYs of the Ascott Reit Units to evaluate how the LTM DY implied by the Consideration Unit Price compares to them.

In the chart below we have compared the LTM DY implied by the Consideration Unit Price to the trailing DYs of the Ascott Reit Units over the 12-month period up to and including the Last Undisturbed Trading Date.



DPU Yield implied by the Consideration Unit Price ⁽¹⁾		5.22%		
Period up to the LUTD	Min	Mean	Median	Max
1 month	5.22%	5.30%	5.26%	5.52%
3 months	5.22%	5.56%	5.66%	5.80%
6 months	5.22%	5.72%	5.75%	6.19%
12 months	5.22%	6.05%	6.07%	6.70%

Source: Capital IQ.

Note:

(1) Based on the Consideration Unit Price of S\$1.30 for each Ascott Reit Unit and 12-month DPU (as reported on an adjusted for one-off items basis) of 6.79 Singapore cents as at 31 December 2018.

Based on the above, we note that the LTM DY implied by the Consideration Unit Price of 5.22% is at the low end of the range of the trailing DYs of the Ascott Reit Units over the 1-month, 3-month, 6-month and 12-month periods period up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the Ascott Reit Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

11.4. **Pro forma financial effects of the Combination**

11.4.1. **Basis and assumptions underlying the pro forma financial information of the Combined Entity**

Please refer to **Paragraph 5** of the Composite Document for the *pro forma* financial information of the Combined Entity for the years ended 31 December 2018 (collectively, the “**FY2018 Pro forma Financials**”) prepared by the management of the Ascott Reit Manager. Summarised extracts are set out in italics below:

“The pro forma financial effects of the Combination presented above have been prepared based on the following key bases and assumptions:

- (i) the pro forma financial effects have been prepared based on the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements, respectively;*
- (ii) the pro forma financial effects have been prepared in material accordance with applicable laws and in accordance with the following accounting standards and policies:*
 - (a) with respect to the Ascott Reit Group, the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” and the accounting policies of the Ascott Reit Group used in preparing the Ascott Reit FY2018 Financial Statements, consistently applied;*
 - (b) with respect to the A-HTRUST REIT and its subsidiaries and sub-trusts, the Singapore Financial Reporting Standards (International)²⁵ (“SFRS(I)”) and the accounting policies of the A-HTRUST Group used in preparing the A-HTRUST FY2018/2019 Financial Statements, consistently applied; and*
 - (c) with respect to the A-HTRUST BT, the provisions of the Business Trusts Act (Cap 31A) of Singapore, the SFRS(I) and the accounting policies of the A-HTRUST Group used in preparing the A-HTRUST FY2018/2019 Financial Statements, consistently applied; and*
- (iii) the pro forma financial effects have been prepared without taking into account the differences in financial year-end of each of the Ascott Reit Group and the A-HTRUST Group, or the accounting standards or policies under which each of the Ascott Reit FY2018 Financial Statements and the A-HTRUST FY2018/2019 Financial Statements have been prepared.”*

²⁵

The MAS has granted the A-HTRUST Group a waiver from preparing its financial statements in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” with effect from the financial year beginning 1 April 2018 (as required under Paragraph 4.3 of the Property Funds Appendix) and, accordingly, the A-HTRUST REIT Group prepares its financial statements in accordance with SFRS(I) instead.

11.4.2. Pro forma financial effects of the Combination for the year ended 31 December 2018

The full text of the financial effects of the Combination is set out in **Paragraph 5** of the Composite Document and has been reproduced in italics below. Ascott Reit Unitholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Combined Entity post-Combination. All terms and expressions used in the extract below shall have the same meaning as those defined in the Composite Document, unless otherwise defined.

Pro forma DPU

“The pro forma financial effects of the Combination on the amount available for distribution to Ascott Reit Unitholders, the number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue and the Ascott Reit’s DPU and the accretion thereof, in each case, as at 31 December 2018 or for FY2018, as if the Combination was completed on 1 January 2018 and the Ascott Reit held and operated the properties of A-HTRUST through to 31 December 2018, are as follows:

	Effects of Combination	
	Before Combination	After Combination
<i>Amount available for distribution to Ascott Reit Unitholders (S\$ million)</i>	154.8	225.6 ^{(1),(2)}
<i>Number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue (million)</i>	2,164.6	3,075.1 ⁽³⁾
<i>DPU (Singapore cents)</i>	7.16	7.34
<i>Accretion (%)</i>	-	2.5

Notes:

- (1) *This figure assumes that additional S\$85.1 million was drawn down on 1 January 2018 to fund the cash component of the Estimated Total Transaction Costs at an effective interest rate of 3.3% per annum.*
- (2) *This figure assumes that 100% of A-HTRUST’s distributable income for FY2018/2019 (including S\$5.1 million of A-HTRUST’s distributable income for FY2018/2019, which A-HTRUST had retained for working capital purposes) was distributed in full, and assumes that the S\$5.1 million was funded by the existing cash balances of the Ascott Reit Group.*
- (3) *This figure reflects the issuance of:*
 - (a) *902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit as Consideration Units; and*
 - (b) *7.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.22 for each Ascott Reit-BT Stapled Unit as the Acquisition Fee on 1 January 2018 (being the closing price of an Ascott Reit Unit on 31 December 2017).”*

Based on the FY2018 *Pro forma* Financials, we note that the *pro forma* DPU of the Combined Entity of 7.34 Singapore cents is at a 2.5% premium to the DPU of 7.16 Singapore cents before the Combination as at 31 December 2018.

Pro Forma NAV and NTA

“The pro forma financial effects of the Combination on the NAV and NTA of the Ascott Reit Group, the number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue and the NAV and NTA for each Ascott Reit Unit and Ascott Reit-BT Stapled Unit as at 31 December 2018, as if the Combination was completed on 31 December 2018, are as follows:

	Effects of Combination	
	Before Combination	After Combination
NAV / NTA (S\$ million)	2,644.1	3,713.4 ^{(1),(2)}
Number of Ascott Reit Units and Ascott Reit-BT Stapled Units in issue (million)	2,164.6	3,076.1 ⁽³⁾
NAV / NTA for each Ascott Reit Unit and Ascott Reit-BT Stapled Unit (S\$)	1.22	1.21 ⁽²⁾
Adjusted NAV / NTA for each Ascott Reit Unit and Ascott Reit-BT Stapled Unit (S\$) – excludes Transaction Costs	1.22	1.22 ⁽⁴⁾

Notes:

- (1) This figure assumes that additional S\$85.1 million was drawn down on 31 December 2018 to fund the cash component of the Estimated Total Transaction Costs.
- (2) This figure assumes the premium over NAV of A-HTRUST is written off and includes Transaction Costs.
- (3) This figure reflects the issuance of:
- (a) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 for each Ascott Reit-BT Stapled Unit as Consideration Units; and
 - (b) 8.7 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.08 for each Ascott Reit-BT Stapled Unit as the Acquisition Fee on 31 December 2018 (being the closing price of an Ascott Reit Unit on 31 December 2018).
- (4) This figure assumes the premium over NAV of A-HTRUST is written off.”

Based on the FY2018 *Pro forma* Financials, we note that the *pro forma* adjusted NAV / NTA per Ascott Reit Unit of the Combined Entity of S\$1.22 is equivalent to the NAV/NTA per Ascott Reit Unit of S\$1.22 before the Combination as at 31 December 2018.

Based on the FY2018 *Pro forma* Financials, the Combination is accretive to Ascott Reit Unitholders on a DPU basis and NAV / NTA neutral per Ascott Reit Unit.

Ascott Reit Unitholders are advised to read the relevant paragraph of the Composite Document carefully. Ascott Reit Unitholders should note that the financial effects have been prepared for illustrative purposes only and do not reflect the future financial position of the Combined Entity.

11.4.3. Pro Forma Aggregate Leverage

“The pro forma financial effects of the Combination on the aggregate leverage of the Ascott Reit Group as at 31 December 2018, as if the Combination was completed on 31 December 2018, are as follows:

	Effects of Combination	
	Before Combination	After Combination
Aggregate leverage (%)	36.7	36.9 ⁽¹⁾

Note:

- (1) Without taking into account the effects of transactions for the Ascott Reit Group and the A-HTRUST Group after 31 December 2018 and 31 March 2019, respectively.”

11.5. Other relevant considerations which have a bearing on our assessment

We wish to further highlight the following additional considerations which we consider relevant for the attention of the Ascott Reit Trustee, the Ascott Reit AC and the Ascott Reit Independent Directors, in relation to the Combination:

11.5.1. Rationale for the Combination

We have considered the rationale and key benefits that the Ascott Reit Manager believes the Combination will bring to the Ascott Reit Unitholders, key points of which have been extracted from the Composite Document and are set out in italics below:

(i) *“Proxy Hospitality Trust in Asia Pacific”*

- *“Potential positive re-rating, wider investor base and higher trading liquidity”*
- *“Increase ability to drive growth with stronger financial position and larger debt headroom”*

(ii) *“Enhanced Portfolio”*

- *“Enhanced portfolio diversification and resilience”*
- *“Strengthen presence in Asia Pacific where business and leisure travel demand remains robust”*

(iii) *“Distribution per Ascott Reit Unit or Ascott Reit-BT Stapled Unit, as the case may be (“DPU”) accretive to unitholders”*

- *“2.5% DPU accretion to Ascott Reit Unitholders²⁶”*
- *“Neutral to NAV per Unit²⁷”*

11.5.2. Future intentions for the Combined Entity

As outlined in the Composite Document, with respect to the Combination:

- (i) the present investment mandate of the Ascott Reit Group, as noted in **paragraph 1.2.1** of the Letter to Ascott Reit Unitholders, is to invest in real estate and real estate-related assets which are income-producing and which are used or predominantly used as, amongst other things, hospitality assets in any country in the world. This would encompass the present investment mandate of the A-HTRUST Group, which, as noted in **paragraph 1.3.1** of the Letter to Ascott Reit Unitholders, is similarly to invest in income-producing real estate used predominantly for hospitality purposes. Accordingly, the Ascott Reit Manager has no intention of expanding the investment mandate of Ascott Reit following the Combination, as it considers that there is no need to do so;

²⁶ On a FY2018 *pro forma* basis.

²⁷ As at 31 December 2018, on a *pro forma* basis, assuming the premium over NAV is written off and transaction costs are excluded.

- (ii) the fee structure of the A-HTRUST Group with respect to fees payable to the A-HTRUST Managers will adopt that of the fee structure of the Ascott Reit Group, and will not be materially different from the fee structure of the A-HTRUST Group as presently adopted; and
- (iii) subject to further evaluation by the board of the Ascott Reit Manager (“**Ascott Reit Board**”), the Ascott Reit Manager has no intention to amend the present constitution of the Ascott Reit Board pursuant to the Combination.

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

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

11.5.3. The Combined Entity will continue to be sponsored by TAL and managed by the Ascott Reit Manager

At the completion of the Combination, Ascott Reit will continue to benefit from CapitaLand being one of Asia’s largest diversified real estate groups and from CapitaLand’s wholly-owned subsidiary, TAL, one of the leading international lodging owner-operators, being the sponsor of the Combined Entity.

In addition, the Ascott Reit Manager will continue to be the manager of the enlarged Ascott Reit portfolio encompassing A-HTRUST properties.

In relation to the Combination being an interested person transaction:

11.5.4. Abstention from voting

TAL, SCPL and the Ascott Reit Manager will abstain from voting (either in person or by proxy) on Resolution 2 and Resolution 3. Further, each of them shall decline to accept appointments as proxies in respect of Resolution 2 and Resolution 3, unless specific instructions as to voting are given.

Ascott Reit will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

For purposes of good corporate governance, the Ascott Reit Directors who are not Independent Directors (each of whom has a direct interest in Ascott Reit Units, as set out in **Appendix B, Part 2** to the Composite Document), being Ms. Beh Siew Kim, Mr. Lee Chee Koon and Mr. Lim Cho Pin Andrew Geoffrey, will abstain from voting on Resolution 2 and Resolution 3.

Please refer to **Paragraph 20.1** of the Composite Document for further details.

In relation to the A-HTRUST Scheme:

11.5.5. Conditions to Completion

As outlined in **Paragraph 4.2** of the Composite Document, we note that the completion of the Combination is conditional upon certain Conditions being satisfied.

Please also refer to **Appendix D, Part 1** to the Composite Document for information on status as to satisfaction of the Conditions as at the Latest Practicable Date, and any conditions on which such Conditions have been granted.

We note that, amongst other Conditions, confirmations or exemptions from the MAS has been received that:

- i. the Combination will not require two independent valuations of the real estate assets of A-HTRUST, with one of the valuers commissioned independently by the Ascott Reit Trustee; and
- ii. the consideration to be paid by the Ascott Reit Trustee to the A-HTRUST Stapled Unitholders need not be at a price not more than the higher of the aggregate of the assessed values of the real estate assets of A-HTRUST undertaken by each of the two independent valuers;

We wish to highlight to Ascott Reit Unitholders that should any of these Conditions not be met (or where applicable, waived), the Combination might not proceed notwithstanding that the Combination has been approved by Ascott Reit Unitholders at the Ascott Reit EGM. Please refer to Appendix D, Part 1 to the Composite Document for the full list of Conditions.

11.5.6. Permitted distributions

Paragraph 4.6 of the Composite Document sets out certain information relating to permitted distributions.

We note that, in the event the A-HTRUST Managers declare, pay or make any distributions in excess of the A-HTRUST Permitted Distributions, the Ascott Reit Manager reserves the right to adjust the A-HTRUST Scheme Consideration by reducing the cash component of the A-HTRUST Scheme Consideration, the unit component of the A-HTRUST Scheme Consideration or by any combination of such cash and unit components.

11.5.7. Break Fee and Reverse Break Fee

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

- (i) the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager to the Ascott Reit Trustee (the Break Fee); and

- (ii) the Ascott Reit Trustee to the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager (the Reverse Break Fee),

as further described in **Appendix D, Part 4** to the Composite Document.

11.5.8. Ascott Reit Auditors Opinion

The Ascott Reit Manager has appointed the Ascott Reit Auditors to perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) on “Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement”, on the carrying value of the line items titled “**investment properties**” and “**property, plant and equipment**” set out in the balance sheet of the A-HTRUST Group, as reflected in the A-HTRUST FY2018/2019 Financial Statements, in respect of the real properties held by A-HTRUST as at 31 March 2019, as more particularly described in **Appendix H** to the Composite Document. A reciprocal arrangement was undertaken by A-HTRUST on the carrying value of the real properties held by Ascott Reit as at 31 December 2018²⁸.

The intention in carrying out such audit is to give additional comfort to Ascott Reit Unitholders that such carrying values were stated, in all material respects, in accordance with the accounting policies of the A-HTRUST Group and that, accordingly, such real properties held by A-HTRUST were stated at fair values.

Pursuant to such audit, the Ascott Reit Auditors have delivered an audit opinion dated 26 September 2019 setting out its opinion that the Statement of Investment Properties and Freehold Land and Buildings of the A-HTRUST Group as at 31 March 2019 (as defined and set out in **Appendix H** to the Composite Document), is prepared, in all material respects, in accordance with the basis of accounting policies specified in Note 2 of the Statement (the “**Ascott Reit Auditors Opinion**”).

Please refer to **Appendix H** to the Composite Document for the Ascott Reit Auditors Opinion.

²⁸ For this purpose, excluding Ascott Raffles Place Singapore, which has been divested by Ascott Reit.

12. RECOMMENDATION

In arriving at our opinion whether the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders, we have considered the pricing principle of the Combination as well as evaluated whether the gross exchange ratio of 0.836x is on normal commercial terms based on whether the A-HTRUST Stapled Units and the Consideration Units are fairly valued based on the A-HTRUST Scheme Consideration and the Consideration Unit Price, respectively.

We have considered, *inter alia*, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

- (a) Based on the FY2018 *Pro forma* Financials, the Combination is accretive to Ascott Reit Unitholders on a DPU basis and is neutral on a *pro forma* NAV per Ascott Reit Unit basis²⁹;
- (b) The pricing principle of the Combination, being on an audited NAV-for-NAV basis in substance; accordingly, premia implied by both the A-HTRUST Scheme Consideration and the Consideration Unit Price shall be viewed in connection with the pricing principle of the Combination;
- (c) As disclosed in the Composite Document, the completion of the Combination will consolidate Ascott Reit's position as the largest hospitality trust in Asia Pacific, with total assets of the Ascott Reit Group increasing from S\$5.7 billion to approximately S\$7.6 billion. As a result of an increase in market capitalisation, the Combined Entity is expected to increase free float by approximately 50%. This will facilitate the inclusion of Ascott Reit into the FTSE EPRA Nareit Developed Index. An increase in trading liquidity, investor coverage and funding capacity support the future growth of the Combined Entity as compared to Ascott Reit on a standalone basis; and
- (d) The completion of the Combination will add 14 properties which are predominantly freehold (13 out of 14 properties) and in developed markets within Asia Pacific to the Ascott Reit Group's portfolio.

In the evaluation of the A-HTRUST Scheme Consideration:

1. The trading liquidity of the A-HTRUST Stapled Units is below the mean and median of other select SGX-listed hospitality REITs for the 6-month period up to the LUTD;
2. The historical market performance and trading activity of the A-HTRUST Stapled Units indicate that:
 - the A-HTRUST Scheme Consideration of S\$1.0868 represents a premium of 11.5% to the closing price of the A-HTRUST Stapled Units on the Last Undisturbed Trading Date;
 - the A-HTRUST Scheme Consideration of S\$1.0868 represents a premium of 13.8%, 19.0%, 24.2% and 31.9% to the 1-month, 3-month, 6-month and 12-month

²⁹

Assuming the premium over NAV of A-HTRUST is written off and excluding Transaction Costs.

VWAPs of the A-HTRUST Stapled Units up to the Last Undisturbed Trading Date, respectively;

3. The Latest P/NAV multiple implied by the A-HTRUST Scheme Consideration of 1.07x is above the range of the trailing Latest P/NAV multiples of the A-HTRUST Stapled Units over the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date;
4. The LTM DY implied by the A-HTRUST Scheme Consideration of 5.55% is below (implying a higher valuation than) the range of the trailing DYs of the A-HTRUST Stapled Units over the 1-month, 3-month, 6-month and 12-month periods period up to and including the Last Undisturbed Trading Date;
5. The comparison of valuation multiples implied by the A-HTRUST Scheme Consideration to those of the Comparable Hospitality REITs (Singapore, Japan and Australia) indicates that:
 - the Latest P/NAV multiple implied by A-HTRUST Scheme Consideration of 1.07x is below the mean and median of 1.12x and 1.10x, respectively, of the Latest P/NAV multiples of the Comparable Hospitality REITs;
 - the LTM DY implied by A-HTRUST Scheme Consideration of 5.55% is above the mean but below the median of 5.49% and 5.61%, respectively, of the LTM DY of the Comparable Hospitality REITs;
6. The premium to NAV of 7% implied by the A-HTRUST Scheme Consideration is below the mean and median of 11.9% and 10.0%, respectively, of the Precedent Transactions.
7. The comparison of the premium/discount implied by the A-HTRUST Scheme Consideration to that implied by the Precedent Takeovers Premia indicates that the premia implied by the A-HTRUST Scheme Consideration in connection with the Combination to the VWAPs over the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date are lower than the mean and median of the Precedent Takeovers Premia.

In the evaluation of the Consideration Unit Price:

1. The trading liquidity of the Ascott Reit Units is above the median of other select SGX-listed hospitality REITs for the 6-month period up to the LUTD;
2. The historical market performance and trading activity of the Ascott Reit Units indicate that:
 - the Consideration Unit Price of S\$1.30 represents a discount of 0.8% to the closing price of the Ascott Reit Units on the Last Undisturbed Trading Date;
 - the Consideration Unit Price of S\$1.30 represents a premium of 1.0%, 5.4%, 8.9% and 12.8% to the 1-month, 3-month, 6-month and 12-month VWAPs of the Ascott Reit Units, respectively;

3. The Latest P/NAV multiple implied by the Consideration Unit Price of 1.07x is above the range of the trailing Latest P/NAV multiples of the Ascott Reit Units over the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date;
4. The LTM DY implied by the Consideration Unit Price of 5.22% is at the low end of (implying a higher valuation than) the range of the trailing DYs of the Ascott Reit Units over the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date.

Other relevant considerations which have a significant bearing on our assessment, in relation to the Combination and the Ascott Reit Auditors Opinion.

Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date based on the pricing principle of the Combination, the A-HTRUST Scheme Consideration and the Consideration Unit Price, the A-HTRUST Stapled Units and the Consideration Units are both fairly valued and the Combination is on normal commercial terms and is not prejudicial to the interests of Ascott Reit and the minority Ascott Reit Unitholders. Accordingly, we advise the Ascott Reit Independent Directors and the Ascott Reit AC to recommend that the independent Ascott Reit Unitholders **VOTE IN FAVOUR OF THE COMBINATION (RESOLUTION 2)**.

The Ascott Reit Trustee, the Ascott Reit AC and the Ascott Reit Independent Directors should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date. Ascott Reit Unitholders should also note that our opinion on the Combination cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Ascott Reit Units and the A-HTRUST Stapled Units as these are governed by factors beyond the scope of our review and would not fall within our terms of reference in connection with the Combination. Ascott Reit Unitholders should not rely on our opinion as the sole basis for deciding whether or not to vote in favour of the Combination.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch



Sigismund Kwok
Director, Corporate Advisory

This page has been intentionally left blank.

APPENDIX B: CERTAIN INTERESTS

Part 1: Ascott Reit Concert Party Group's Unitholdings in A-HTRUST Securities

Name	Direct		Deemed	
	No. of A-HTRUST Stapled Units	% ³²	No. of A-HTRUST Stapled Units	% ³²
Part A ³³				
CapitaLand	–	–	319,760,218 ³⁴	28.1053
Goh Soon Keat Kevin (Director of SCPL)	80,000	0.0070	–	–
ALI	319,760,218	28.1053	–	–
Manohar Khatani (Director of ALI)	52,000	0.0046	–	–
Yap Neng Tong (Director of ALI)	65,000	0.0057	50,000 ³⁵	0.0044
Citigroup Global Markets Limited	280,100	0.0246	– ³⁶	–
Part B ³⁷				
Other members of the Ascott Reit Concert Party Group (“ Additional Ascott Reit Concert Parties ”) ³⁸	289,200	0.0254	2,317,780	0.2037

³² Calculated based on a total of approximately 1,137.7 million A-HTRUST Stapled Units as at the Latest Practicable Date.

³³ As disclosed in the Joint Announcement.

³⁴ CapitaLand is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, ALI.

³⁵ Yap Neng Tong is deemed to have an interest in the unitholdings of his spouse.

³⁶ On 19 August 2019, Citi announced that, on 16 August 2019, it had returned stock borrowing of 131,100 A-HTRUST Stapled Units.

³⁷ Following the release of the Joint Announcement, the Ascott Reit Manager has made enquiries of certain other parties who are or may be deemed to be acting in concert with the Ascott Reit Manager and the Ascott Reit Trustee in connection with the Combination pursuant to the Code. Similarly, Citi has made enquiries in respect of the other members of its group. The number and percentage of A-HTRUST Securities and Ascott Reit Securities, as the case may be, held by the Ascott Reit Concert Party Group, other than those members of the Ascott Reit Concert Party Group set out in **Part A**, is set out in **Part B**.

³⁸ The “**Additional Ascott Reit Concert Parties**” are certain directors of CapitaLand and its subsidiaries and associates, other than those directors whose unitholdings had otherwise been disclosed in the Joint Announcement.

Part 2: Ascott Reit Concert Party Group's Unitholdings in Ascott Reit Securities

Name	Direct		Deemed	
	No. of Ascott Reit Units	% ³⁹	No. of Ascott Reit Units	% ³⁹
Part A³³				
Ascott Reit Manager	189,586,278	8.7093	–	–
Tan Beng Hai, Bob (Director of Ascott Reit Manager)	70,938	0.0033	–	–
Beh Siew Kim (Director of Ascott Reit Manager) ⁴⁰	269,837	0.0124	–	–
Zulkifli Bin Baharudin (Director of Ascott Reit Manager)	84,174	0.0039	–	–
Sim Juat Quee Michael Gabriel (Director of Ascott Reit Manager)	38,250	0.0018	–	–
Elaine Carole Young (Director of Ascott Reit Manager)	103,312	0.0047	–	–
Lee Chee Koon (Director of Ascott Reit Manager)	46,440	0.0021	–	–
Lim Cho Pin Andrew Geoffrey (Director of Ascott Reit Manager)	25,800	0.0012	–	–
CapitaLand	–	–	979,875,882 ⁴¹	45.0141
TAL	476,152,416	21.8738	314,137,188 ⁴²	14.4310
SCPL	314,137,188	14.4310	–	–
Goh Soon Keat Kevin (Director of SCPL)	107,740	0.0049	–	–
Yeong Lai Meng (Director of SCPL)	45,150	0.0021	–	–
Manohar Khیاتani (Director of ALI)	41,200	0.0019	–	–
Yap Neng Tong (Director of ALI)	32,000	0.0015	–	–
Citigroup Global Markets Limited	14,800	0.0007	38,700 ⁴³	0.0018
Citigroup Global Markets Inc.	–	–	– ⁴³	–
Part B³⁷				
Additional Ascott Reit Concert Parties ³⁸	2,655,871	0.1220	171,000	0.0079

39 Calculated based on a total of approximately 2,176.8 million Ascott Reit Units as at the Latest Practicable Date.

40 In addition, Ms. Beh Siew Kim has been awarded certain contingent awards of Ascott Reit Units under the Ascott Reit Manager's Performance Unit Plan ("PUP") and Restricted Unit Plan ("RUP"). The figures below refer to the number of Ascott Reit Units which are the subject of contingent awards but not released under the PUP and RUP. The final number of Ascott Reit Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP:

- (i) PUP: 0 to 680,278;
- (ii) RUP: 0 to 355,614;
- (iii) RUP: 31,038, being the unvested remaining one-third of the awards pursuant to the RUP ("RUP Award") for 2017; and
- (iv) RUP: 81,527, being the unvested two-thirds of the RUP Award for 2018.

In the case of (i) and (ii), the final number of Ascott Reit Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP and RUP. In the case of (iii) and (iv), on the final vesting, an additional number of Ascott Reit Units 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 RUP will also be released.

41 CapitaLand is deemed to have an interest in the unitholdings of its wholly-owned subsidiaries, TAL, SCPL and the Ascott Reit Manager.

42 TAL is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, SCPL.

43 On 19 August 2019, Citi announced that, on 16 August 2019, it had returned stock borrowing of 159,300 Ascott Reit Units and on 9 September 2019, Citi announced that, on 6 September 2019, it had returned stock borrowing of 7,000 Ascott Reit Units.

Part 3: Substantial Ascott Reit Unitholders

Name	Direct		Deemed	
	No. of Ascott Reit Units	% ³⁹	No. of Ascott Reit Units	% ³⁹
Temasek Holdings (Private) Limited (“ Temasek ”)	–	–	985,008,933 ⁴⁴	45.25
CLA Real Estate Holdings Pte. Ltd. (f.k.a. Ascendas–Singbridge Pte. Ltd.) (“ CLA ”)	–	–	979,875,882 ^{44A}	45.01
CapitaLand	–	–	979,875,882 ⁴¹	45.01
TAL	476,152,416	21.87	314,137,188 ⁴²	14.43
SCPL	314,137,188	14.43	–	–
CapitaLand Financial Limited (“ CFL ”)	–	–	189,586,278 ⁴⁵	8.71
Ascott Reit Manager	189,586,278	8.71	–	–

44 Temasek has no direct interest in Ascott Reit Units. Of Temasek’s total deemed interest under the SFA, 979,875,882 Ascott Reit Units are held through CapitaLand and its subsidiaries. Temasek’s remaining deemed interest arises through certain of its other independently-managed subsidiaries and/or associated companies which have or are deemed to have an interest in Ascott Reit Units. Notification of changes in substantial share or unitholding is required to be made when the aggregate direct and deemed interests cross a discrete 1%-band. As such, the aggregate deemed interest of Temasek in Ascott Reit may be slightly higher or lower than the numbers shown in this table.

44A CLA is deemed to have an interest in the unitholdings that its subsidiary, CapitaLand, is deemed to be interested in.

45 CFL is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, the Ascott Reit Manager.

This page has been intentionally left blank.

APPENDIX C: INFORMATION ON THE COMBINED ENTITY

Part 1: Substantial A-HTRUST Stapled Unitholders

Name	Direct		Deemed	
	No. of A-HTRUST Stapled Units	% ³²	No. of A-HTRUST Stapled Units	% ³²
Temasek	–	–	334,324,718 ⁴⁶	29.39
CLA ^{44A}	–	–	319,760,218 ⁴⁷	28.11
CapitaLand	–	–	319,760,218 ⁴⁷	28.11
APL	–	–	319,760,218 ⁴⁸	28.11
ALI	319,760,218	28.11	–	–
GT	77,192,800	6.78	–	–

46 Temasek has no direct interest in A-HTRUST Stapled Units. Of Temasek's total deemed interest under the SFA, 319,760,218 A-HTRUST Stapled Units are held through ALI. Temasek's remaining deemed interest arises through certain of its other independently-managed subsidiaries and/or associated companies which have or are deemed to have an interest in A-HTRUST Stapled Units. Notification of changes in substantial share or unitholding is required to be made when the aggregate direct and deemed interests cross a discrete 1%-band. As such, the aggregate deemed interest of Temasek in A-HTRUST may be slightly higher or lower than the numbers shown in this table.

47 CapitaLand is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, ALI.

48 APL is deemed to have an interest in the unitholdings of its wholly-owned subsidiary, ALI.

Part 2: Information on the Combined Entity

(A) Additional Risk Factors

Ascott Reit Unitholders should consider carefully, together with all other information contained in this Composite Document, the factors described below in deciding how to vote on the resolutions proposed at the EGM and at the Ascott Reit Scheme Meeting as these may, among others, adversely affect the level of the Combined REIT's distributable income. The following set out the risk factors relating to the Combination, namely the risks relating to the assets of A-HTRUST and risks relating to the hospitality industry and they are not intended to be exhaustive.

RISKS RELATING TO THE HOSPITALITY INDUSTRY

The financial performance of A-HTRUST, and accordingly the Combined Entity, is dependent on the condition and outlook of the hospitality industry, which is in turn susceptible to cyclical and other factors outside the control of the Combined Entity, the Ascott Reit Manager and the Ascott BT Trustee-Manager

The hospitality business is cyclical and sensitive to external and economic changes. There are a number of factors which are common to the regional and global hospitality industry and beyond the control of the Combined Entity, the Ascott Reit Manager and the Ascott BT Trustee-Manager.

These factors could affect the financial performance of A-HTRUST, and accordingly the Combined Entity, including the following but not limited to:

- the condition of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as the political landscape, environmental conditions and epidemics that result from the spread of infectious diseases that may result in reduced occupancy rates, room rates, visitors and demand for the hospitality assets of the Combined Entity;
- changes in exchange rates that may adversely affect the Combined Entity's operating results or ability to finance its operations;
- changes in government laws and regulations, fiscal policies and zoning ordinances, labour laws and the related costs of compliance with laws and regulations, fiscal policies and ordinances affecting the Combined Entity;
- slowdown in tourism, business and conferences in the markets in which the investments of the Combined Entity are located;
- seasonality patterns in tourism arrival numbers throughout the year;
- frequency of events or conferences in the surrounding vicinity of each property or future hospitality assets of the Combined Entity;
- movement of transportation hub status such as airports, railway stations, bus terminals;
- unexpected increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather conditions that could affect travel demand;
- increases in operating costs due to inflation, labour costs (including the impact of unionisation), workers' compensation and healthcare-related costs, maintenance costs, utility costs, insurance and unanticipated costs such as those resulting from acts of nature;

- increase in new supply of hotels in the markets in which the Combined Entity operates, which could adversely impact the occupancy levels and revenue of the properties or future hospitality assets of the Combined Entity;
- increased competition in the markets in which the assets of the Combined Entity are located or the loss of regular customers to newer or alternative hotels for convenience, better services or lower room rates;
- the nature and length of a typical hotel guest's stay as hotel guests typically stay on a short-term basis and there is no assurance of long-term occupancy for hotel rooms;
- the financial condition and liquidity of the Combined Entity;
- unfavourable publicity in relation to the properties of the Combined Entity;
- changes in the Combined Entity's relationships with, and the performance and reputation and standing of the lessees, hotel managers, service providers and other companies with whom the Combined Entity may contract;
- changes in interest rates and in the availability, cost and terms of debt financing and other changes that may adversely affect the Combined Entity's ability to source capital to fund capital expenditures, acquisitions and other general corporate purposes or to comply with debt financing covenants, and in the relationships with the Combined Entity's lenders;
- difficulties in identifying hospitality assets to acquire and risks relating to the completion and integration of the investments;
- the time that it may take to construct, develop or complete the refurbishments of properties and receive registrable title to such properties;
- any restrictions in the ability to renovate the properties and future assets of the Combined Entity in order to preserve or expand demand for the properties and such assets; and
- other matters not yet known to the Ascott Reit Manager and the Ascott BT Trustee-Manager or not currently considered material by the Ascott Reit-BT Managers.

These factors could lead to deterioration in the amount of the rental payments from the Lessees to the Combined Entity and the ability of the Hotel Managers to generate income. This would have adverse effects on the business, financial condition, results of operations and prospects of the Combined Entity.

Hospitality business is capital intensive and the growth of the Combined Entity may be affected if it is unable to obtain financing on favourable terms or at all

The A-HTRUST Properties will require periodic capital expenditures, refurbishments, renovation and improvements to remain competitive. The acquisition or development of additional hospitality assets will require significant capital expenditures. There is no assurance that the Combined Entity will be able to fund capital improvements or acquisitions solely from cash generated by its operating activities. Additional equity or debt financing is subject to prevailing conditions in the equity and debt markets, and may not be available on favourable terms or be available at all. Further, the reserves for furniture, fixtures and equipment set aside by the Combined Entity may not be sufficient.

The hospitality industry is competitive and the performance of A-HTRUST, and accordingly the Combined Entity, may be affected by increasing supply of hospitality assets in its key markets

The hospitality industry is highly competitive and on-going completion of new hotels or renovations of competing hotel properties can reduce the competitiveness of older or existing properties. The A-HTRUST Properties and future assets of the Combined Entity will experience competition primarily from similar grade hotels in their immediate vicinity, and also with other hotels in their geographical market. The level of competition is affected by various factors, including changes in local, regional and global economic conditions, changes in local, regional and global populations, the supply and demand for hospitality properties and changes in patterns and preferences. The success of a hotel will largely depend on its ability to compete in areas such as quality of accommodation, room rates, level of service, brand recognition, convenience of location and the quality of lobby areas, food and beverage facilities and other amenities. Competing hotels may offer more facilities at their premises at similar or more competitive prices compared to the facilities offered at the properties of the Combined Entity. Competitors may also significantly lower their rates or offer greater convenience, services or amenities to attract more customers. If these efforts are successful, the results of operations at the properties of the Combined Entity may be adversely affected.

A general inability of the properties of the Combined Entity to compete effectively could adversely affect the business, financial condition, results of operations and prospects of the Combined Entity.

The operations of the A-HTRUST Properties require certain hotel licences and any failure to obtain, renew or obtain the transfer of such licences may adversely affect the operations of the Combined Entity

The operation of hotels is generally subject to various local laws and regulations. Such laws may require the Combined Entity, the Lessees and/or the Hotel Managers to be licensed and to obtain other approvals to own, operate and lease the A-HTRUST Properties. The withdrawal, suspension or non-renewal of any approvals and/or licences, or the imposition of any penalties, as a result of any infringement or non-compliance with any laws, rules or regulations applicable to the A-HTRUST Properties, will have an adverse impact on the business at the A-HTRUST Properties and their results of operations. Further, any changes in such laws, rules and regulations may also impact the business at the A-HTRUST Properties and may result in higher costs of compliance. Any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities. This could have an adverse impact on the revenue and profits of the A-HTRUST Properties or otherwise adversely affect their operations.

There can be no assurance that the tourism promotion authorities in the countries in which the Combined Entity operates will succeed in increasing tourism receipts or that such success, if any, will improve the financial performance of the Combined Entity

The A-HTRUST Properties target demand from business travellers and leisure travellers. Therefore, the financial performance of these properties may also be affected by the tourism industry in the respective countries. In this regard, there can be no assurance that the initiatives taken by the tourism promotion authorities in the countries in which the Combined Entity operates to increase tourism receipts will be successful. Even if these initiatives are successful, it is not certain that an increase in tourism receipts would lead to a corresponding increase in the number of visitors or the length of their stay. Furthermore, an increase in the

number of visitors or the length of their stay may not result in an increase in the revenues or gross operating profits of the properties, or an increase in rental payments received by the Combined Entity.

RISKS RELATING TO THE A-HTRUST PROPERTIES

The loss of a Lessee, a downturn in the business of a Lessee or any breach by a Lessee of its obligations under its lease agreement could have an adverse effect on the business, financial condition, results of operations and prospects of the Combined Entity

There are a few A-HTRUST Properties which are under a lease arrangement (“**Hotels under Lease**”). The Combined Entity is dependent upon rental payments from the Lessees. The business, financial condition, results of operations and prospects of the Combined Entity will depend substantially upon the ability of the Lessees to make timely rental payments. As such, the business, financial condition, results of operations and prospects of the Combined Entity may be adversely affected by the bankruptcy, insolvency or downturn in the business of the Lessees.

The Lessees may not maintain the Hotels under Lease properly or it may be slow to implement maintenance works, resulting in substantial deferred capital expenditure. Failure of the Lessees to properly maintain the Hotels under Lease may result in customers choosing alternative hotels. Lack of capital or insufficient cash flow caused by lower occupancy may adversely impact future operations and profitability of the Hotels under Lease thereby affecting the ability of the Lessees to fund repairs, maintenance of furniture, fixtures and equipment and/or to make rental payments to the Combined Entity.

There is therefore no assurance that the Hotels under Lease will continue to be operated, managed, maintained, branded or marketed well in the future and consequently the financial performance of the Combined Entity, which is dependent on the performance of the Lessees, could be adversely affected.

If a Lessee fails to meet its obligations under its lease agreements, the business, financial condition, results of operations and prospects of the Combined Entity may be adversely affected.

If a Lessee terminates or defaults on its lease agreement, or does not renew its lease agreement on expiry, a replacement lessee may not be found on satisfactory terms or a timely basis. In addition, the amount of rental and the terms on which each lease agreement is renewed or the new lease agreement is agreed upon may be less favourable than the existing lease agreement. While, as a last resort, Ascott BT will be able to step in as the lessee, there can be no assurance that Ascott BT may be able to provide the similar amount of income from the property. In such event, the Combined Entity’s revenue and financial performance may be adversely affected.

The failure of the Hotel Managers of the Hotels under Management Contracts to generate income could have an adverse effect on the business, financial condition, results of operations and prospects of the Combined Entity

Unlike the Hotels under Lease through which the Combined Entity derives regular rental income, the Hotels under Management Contracts are managed by the Hotel Managers and generate hotel revenue for the Combined Entity. The business, financial condition, results of operations and prospects of the Combined Entity therefore depend upon the ability of these Hotel Managers to manage the hotels profitably and generate income for the Combined Entity.

The ability of the Hotel Managers to generate income depends on their expertise and may also be affected by factors beyond their control, such as changes in general economic conditions, laws and governmental regulations, the level of demand for the Hotels under Management Contracts, competition in the hospitality industry or latent defects in the hotels which affect the ability of the Hotel Managers to operate the hotels. If the Hotel Managers are unable to manage the hotels profitably for the Combined Entity and fail to generate income, this may adversely affect the business, financial condition, results of operations and prospects of the Combined Entity.

In addition, as the hotel management agreements entered into between the Combined Entity and the Hotel Managers are non-exclusive arrangements, there is no assurance that these Hotel Managers may not engage in other business ventures, including the acquisition, development or operation of lodging, residential and vacation ownership properties, which are or may become competitors of the A-HTRUST Properties. In the event that the A-HTRUST Properties face competition from their own Hotel Managers, this may have an adverse effect on the business and prospects of the Combined Entity.

Renovation work, repair and maintenance or physical damage to the A-HTRUST Properties may disrupt the operations of the Combined Entity and collection of rental income in the case of the Hotels under Lease or the ability of the Hotel Managers of the Hotels under Management Contracts to generate revenue or otherwise result in adverse impact on the financial condition of the Combined Entity

The quality and design of the A-HTRUST Properties influence the room rates and the demand for rooms. The A-HTRUST Properties may need to undergo renovation works from time to time to retain their attractiveness to guests and may also require ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining the A-HTRUST Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the A-HTRUST Properties age. The business and operations of the A-HTRUST Properties may be disrupted as a result of renovation works and it may not be possible to collect the full rental rate, or, as the case may be, any rental income on the space affected by such renovation works. In relation to the Hotels under Lease, this may affect the ability of the Lessees to make timely rental payments under their respective lease agreements. In relation to the Hotels under Management Contracts, this may affect the ability of the relevant Hotel Managers to generate income under the hotel management agreements.

Physical damage to the A-HTRUST Properties resulting from fire or other causes may lead to a significant disruption to the business and operations of the A-HTRUST Properties. Furthermore, the Lessees and/or Hotel Managers generally have the right to terminate their tenancies prematurely in the event that such physical damage (not caused by the negligence or default of the Lessees and/or Hotel Managers) persists for an extended period of time. The foregoing may impose unbudgeted costs on the Combined Entity and may result in an adverse impact on the business, financial condition, results of operations and prospects of the Combined Entity.

Existing or planned amenities and transportation infrastructure near the A-HTRUST Properties may be closed, relocated, terminated, delayed or not completed

There is no assurance that the amenities and transportation infrastructure and public transport services near the A-HTRUST Properties will not be closed, relocated, terminated, delayed or uncompleted, or that there will be no impediment to the traffic flow in the vicinity. Such closure, relocation, termination, delay, non-completion or impediment may adversely affect the accessibility of the A-HTRUST Properties. This may then have an adverse effect on the attractiveness and marketability of the A-HTRUST Properties to guests and the Lessees and may adversely affect the business, financial condition, results of operations and prospects of the Combined Entity.

The due diligence on the A-HTRUST Properties, tenancies, buildings and equipment and their holding entities may not have identified all material defects, breaches of laws and regulations inherent or historical tax liabilities and other deficiencies

The Ascott Reit Manager believes that reasonable due diligence investigations with respect to the A-HTRUST Properties and their holding entities have been conducted. However, there is no assurance that the A-HTRUST Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in the A-HTRUST Properties which may require additional capital expenditure, special repair or maintenance expenses, the payment of damages or to other obligations to third parties) or that the due diligence investigations and physical inspections will uncover all non-compliance with the laws and regulations in relation to the A-HTRUST Properties or their holding entities.

The appraisals of the A-HTRUST Properties are based on various assumptions and the price at which the Combined Entity is able to sell an A-HTRUST Property in future may be different from the initial acquisition value of the A-HTRUST Property

The appraisals of the A-HTRUST Properties are based on methodologies as disclosed from time to time. There can be no assurance that the assumptions relied on are accurate measures of the market nor that the values of the A-HTRUST Properties have been evaluated accurately. The appraisals of the A-HTRUST Properties arrived at by the independent valuers may have included a subjective determination of certain factors relating to the A-HTRUST Properties such as their relative market positions, financial and competitive strengths and physical condition and accordingly, the valuation of the A-HTRUST Properties may be subjective. There is no assurance that the Combined Entity will be able to sell the A-HTRUST Properties at the same valuation or higher.

Valuation of the A-HTRUST Properties may fall

The purchase price of the A-HTRUST Properties, as initially purchased by the A-HTRUST Group, was based on the valuation conducted by independent valuers at the time of purchase. Such valuations may fluctuate over time and there can no assurance that a sale price can be secured at its appraised value or at a value higher than the initial purchase price should there be a disposal of any of the A-HTRUST Properties in the future. The A-HTRUST Properties will typically be re-valued on an annual basis. Any revaluation deficit will result in a corresponding decrease in the net asset value of Ascott Reit or, as the case may be, Ascott BT, and hence the Combined Entity.

The Combined Entity may suffer material losses in excess of insurance proceeds or in respect of losses which are uninsured

The A-HTRUST Properties face the risk of suffering physical damage caused by fire, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the A-HTRUST Properties.

In addition, certain types of risks (such as terrorism, war risk, losses caused by the withholding of supply of utilities by a supply authority and contamination or other environmental breaches) may be or become uninsurable in certain jurisdictions or the cost of insurance may be prohibitive when compared to the risk.

Currently, the insurance policies for the A-HTRUST Properties do not cover certain types of risks such as acts of war, contamination or other environmental breaches or radioactive contaminations.

Should an uninsured loss or a loss in excess of insured limits occur, the Combined Entity could be required to pay compensation and/or lose capital invested in the affected A-HTRUST Property as well as anticipated future revenue from that A-HTRUST Property. There can be no assurance that material losses in excess of insurance proceeds or in respect of losses which are uninsured will not occur in the future.

RISKS RELATING TO A-HTRUST AND ITS OPERATIONS

Acts of God, haze, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases (such as the human avian influenza, Ebola virus disease, Severe Acute Respiratory Syndrome (“SARS”) and Middle East Respiratory Syndrome (“MERS”)) and other events beyond the control of the Combined Entity may adversely affect the business, financial condition, results of operations and prospects of the Combined Entity

The hospitality industry and the A-HTRUST Properties may be adversely affected by acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases (such as the human avian influenza, Ebola virus disease, SARS and MERS) and other events beyond the control of the Combined Entity. The Ascott Reit Manager cannot predict the occurrence of these events and the extent to which they will, directly or indirectly, impact the hospitality industry or the business, financial condition, results of operations and prospects of the Combined Entity in the future.

An increased threat of terrorism, terrorist events, airline strikes, hostilities between countries or natural disasters may affect travel patterns and reduce the number of business and commercial travellers and tourists, in general, in the regions of Asia and Australia or any other countries in which the hospitality assets of the Combined Entity may be located in the future.

The outbreak of an infectious disease such as Influenza A (H1N1-2009), avian influenza, Ebola virus disease, SARS or MERS in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and elsewhere and could thereby adversely impact the revenues and results of the Combined Entity. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. Upon the outbreak of SARS, MERS or other widespread communicable diseases, or dangerous levels of radioactive contamination, the World Health Organisation and certain governments may issue travel advisories against non-essential travel to affected regions, or even impose travel restrictions. Travel advisories or restrictions are likely to have a material adverse effect on the number of international visitor arrivals to the affected countries (which could include countries in which the Combined Entity has assets) and therefore the corresponding demand for hotel rooms in the A-HTRUST Properties. Accordingly, the spread of any contagious or virulent disease, and any consequential travel advisories or restrictions may adversely affect the business, financial condition, results of operations and prospects of the Combined Entity.

Investment in hospitality assets in other countries will expose the Combined Entity to additional local real estate market conditions

Other real estate market conditions which may adversely affect the performance of the Combined Entity include the attractiveness of competing hospitality assets or an oversupply or reduced demand for such hospitality assets.

Further, the Combined Entity will be subject to foreign real estate laws, regulations and policies as a result of its property investments in foreign countries. Measures and policies adopted by the relevant foreign governments and regulatory authorities at national,

provincial or local levels, such as government control over property investments or foreign exchange regulations, might negatively impact the Combined Entity's properties in foreign countries. Legal protection and recourse available to the Combined Entity in certain countries may be limited.

In addition, the income and gains derived from investment in hospitality assets will be subject to various types of taxes in the countries where the assets are located, including income tax, withholding tax, capital gains tax and any other taxes that may be imposed specifically for ownership of real estate. All of these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these hospitality assets. There is also no assurance that the Combined Entity will be able to repatriate to Singapore the income and gains derived from investment in hospitality assets outside Singapore on a timely and regular basis.

A-HTRUST, and accordingly the Combined Entity, has limited recourse against the Hotel Managers of the Hotels under Management Contracts under the relevant hotel management agreements

The Hotel Managers may not carry out the day-to-day operations of the Hotels under Management Contracts properly. Failure of the relevant Hotel Managers to properly maintain the Hotels under Management Contracts may result in customers choosing alternative hotels.

Lack of capital or insufficient cash flow caused by lower occupancy may adversely impact future operations and profitability of the Hotels under Management Contracts thereby affecting the ability of the Hotels under Management Contracts to generate income. There is therefore no assurance that the Hotels under Management Contracts will continue to be operated, managed, maintained, branded or marketed well in the future and consequently the financial performance of the Combined Entity could be adversely affected.

The Combined Entity may be affected by adverse developments or negative publicity affecting the brands of the Hotel Managers

The A-HTRUST Properties are managed by different hotel managers under different brand names. Any degradation or adverse market developments relating to the brand names of these hotel managers and their respective affiliated brands could adversely affect the business, financial condition, results of operations and prospects of the Combined Entity as such degradation or adverse market developments may adversely affect the reputation of the properties of the Combined Entity and their attractiveness to guests and customers.

The success of the Hotels under Management Contracts is dependent on the ability of their respective Hotel Managers to operate these hotels

The A-HTRUST Properties are dependent on the relevant hotel managers for the oversight of the day-to-day operations, the administration and management, and the monitoring of the property management of the Hotels under Management Contracts. Any failure by the Hotel Managers to properly manage the operations of the Hotels under Management Contracts may adversely affect the underlying value of and/or income from these hotels.

The A-HTRUST Properties' dependence on third parties in respect of the Hotels under Management Contracts to conduct its business activities may expose it to potential risks, such as the possibility that these third parties may not provide adequate services or may not remain in business. Further, if the hotel management agreements with existing hotel managers are terminated, the Combined Entity may face a substantial disruption in the

operation of the relevant Hotels under Management Contracts and an increase in costs incurred for the management of the relevant Hotels under Management Contracts, as it may not be able to negotiate new hotel management agreements on similar terms.

The Combined Entity faces risks associated with debt financing

The ability of the Combined Entity to raise additional capital on favourable terms for transactions of a capital nature or refinancing of financing facilities is dependent on a number of factors outside of its control, including general global and local economic conditions, credit and capital markets and political instability. For example, the global credit markets have experienced and may continue to experience volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries in Europe, the United States and elsewhere. This affected global financial markets, reduced credit accessibility and increased the cost of debt financing. Continued volatility and uncertainty in the global financial markets may adversely affect the ability of the Combined Entity to obtain future financing on favourable terms or any future financing at all, and consequently have a material adverse effect on the business, financial condition, results of operations and prospects of the Combined Entity.

The Combined Entity will also be subject to the risk that it may not be able to refinance the indebtedness of A-HTRUST REIT or A-HTRUST BT or that the terms of any refinancing may not be as favourable as the terms of existing borrowings. If A-HTRUST REIT or A-HTRUST BT are unable to meet their repayment obligations, the lending banks could enforce security interests over the assets that are pledged or A-HTRUST REIT or A-HTRUST BT may be forced to sell certain assets which are not subject to the pledge, resulting in a significant disruption in operations.

In addition, the Combined Entity may be subject to certain covenants in connection with any borrowings that may limit or otherwise adversely affect its operations. Such covenants may also restrict their ability to acquire assets or undertake other capital expenditure or may require them to set aside funds for maintenance or repayment of security deposits. Factors such as a fall in asset values or a downturn in the local hospitality industry could also lead to a breach in debt covenants. Assuming that A-HTRUST REIT's and A-HTRUST BT's lenders are amenable to waiving a breach of covenant by A-HTRUST REIT or A-HTRUST BT, any such breach may require a renegotiation of A-HTRUST REIT's or A-HTRUST BT's debt facilities and this may result in increased interest costs and/or fees.

Furthermore, if prevailing interest rates or other factors at the time of any refinancing (such as the possible reluctance of lenders to make loans in relation to hospitality properties) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting the cash flow of A-HTRUST and accordingly the cash flow of the Combined Entity.

The Combined Entity may be required to indemnify the relevant Hotel Managers or sub-trustee

In respect of the hotel management agreements entered into with the Hotel Managers, A-HTRUST and accordingly the Combined Entity will be liable for such debts, obligations and/or liabilities in the due performance of the duties of the Hotel Managers under the hotel management agreements unless such debts, obligations and/or liabilities arose from their gross negligence or wilful default.

Under the terms of the appointment of trustee for Ascendas Hospitality Australia Investment Fund No. 1 and Ascendas Hospitality Australia Investment Fund No. 2, the trustee will be required to act in accordance with the directions of Ascendas Hospitality Australia Fund Management Pty Limited (“AHAFM”). Accordingly, the trustee will be entitled to an indemnity from the relevant Australian trust which will form part of the Combined Entity for costs properly incurred for acting in accordance with directions given by AHAFM except to the extent that the relevant cost is directly attributable to fraud, negligence or wilful misconduct of the trustee or its agents.

While the trustee will have recourse to the assets of the relevant trust, if the assets were insufficient to meet the indemnity, the Combined Entity would be required to meet that shortfall under the indemnity. If such a claim arises, then the financial condition of the Combined Entity could be adversely affected.

Property operation costs and expenses may not decrease even if occupancy rate declines

The properties of the Combined Entity will be continuously operational and most costs incurred will not vary significantly with high or low occupancy rates over a week, month or season. Operating a hotel involves a significant amount of fixed costs and significant fixed costs may limit the ability of the operators of the properties to respond to adverse market conditions by minimising costs. Such limitations may have an impact on profitability when the hospitality industry is weak. This may adversely affect the ability of the lessees of these properties to make rental payments to the Combined Entity, as well as the ability of the Hotel Managers of the Hotels under Management Contracts to generate income for the Combined Entity.

The Combined Entity will be exposed to certain risks in relation to information technology and systems

A-HTRUST is reliant on certain technologies and systems for the operation of its business, whether belonging to the Combined Entity, the Lessees, or the Hotel Managers. Any system failures, data viruses, computer “hackers” or other causes may result in operational problems with such information systems. Bookings and reservations for hotel rooms are done through the platforms of the service providers including that of the Hotel Managers.

The Combined Entity may not have control over potential failures, outages or downtime over such information systems which could affect, among others, the delivery of reservations to its hotels. Any material disruption or slowdown of the information systems, especially any failures relating to its reservation system, could cause valuable information to be lost or operations to be delayed, which in turn could have a material adverse effect on the Combined Entity’s business, financial condition and results of operations and have a material adverse impact on the Combined Entity’s reputation.

RISKS RELATING TO STAPLED TRUSTS

The Ascott Reit-BT Stapled Units may be subsequently unstapled and the structure of the Combined Entity may be undermined

The Ascott Reit-BT Stapled Units may in the future be unstapled for various reasons as set out in the Ascott Reit-BT Stapling Deed. In particular, the unitholders of the Combined Entity may, for various reasons, after the Combination, decide that the Ascott Reit-BT Stapled Units should be unstapled, subject to the Ascott Reit-BT Stapling Deed, the Ascott Reit Trust Deed, the Ascott BT Trust Deed and any relevant legislation. In the event that the unstapling of an

Ascott Reit Unit to an Ascott BT Unit should occur, the structure of the Combined Entity may be undermined and there may be ramifications and adverse effects to the unitholders of the Combined Entity.

Ascott Reit and Ascott BT may not have the same board of directors in the future, and this may lead to differences or deadlock in the future operations of the Combined Entity

As at the Latest Practicable Date, it is intended that the boards of directors of the Ascott Reit Manager and the Ascott BT Trustee-Manager be the same so as to avoid any differences or deadlock in the operations of the Combined Entity. However, there is no assurance that the composition of the two boards will remain the same in the future.

In the event that the Ascott Reit Manager or the Ascott BT Trustee-Manager is removed and/or replaced, the other will be required to cooperate with the new manager (which may have a different board of directors and management team) in the management of Ascott Reit or, as the case may be, Ascott BT.

As a result, the Combined Entity will lose the advantage of being managed efficiently by the same, or substantially the same, board of directors. Further, there can be no assurance that having different boards of directors for the management of Ascott Reit and Ascott BT will not lead to differences or deadlock in the operation of the Combined Entity, which may have adverse effects on the business, financial condition, results of operations and prospects of the Combined Entity.

The Combined Entity may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting Registered Business Trusts and/or REITs

The Combined Entity may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts registered with the MAS (“**Registered Business Trusts**”) and/or REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect Registered Business Trusts in general, REITs in general or the Combined Entity specifically.

Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect the Combined Entity, its subsidiaries, the Ascott Reit-BT Stapled Unitholders, the Ascott Reit Manager and/or the Ascott BT Trustee-Manager (and its owners)

Any change in the taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, that applies to the Combined Entity and/or any of its direct and indirect subsidiaries, and/or any tax ruling applicable to the Combined Entity and/or any of its direct and indirect subsidiaries ceasing to apply, could result in additional tax liability for the Combined Entity, its subsidiaries, the Ascott Reit-BT Stapled Unitholders, the Ascott Reit Manager and/or the Ascott BT Trustee-Manager (and its owners).

Any change in the tax status of the Combined Entity and/or any of its direct and indirect subsidiaries, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Combined Entity and/or any of its direct and indirect subsidiaries, could adversely affect the distributions paid by the Combined Entity and/or any of its direct and indirect subsidiaries.

In addition, any such tax changes could adversely affect the value of the investments of the Combined Entity and/or any of its direct and indirect subsidiaries, and/or increase the tax liabilities of the Combined Entity and/or any of its direct and indirect subsidiaries and/or affect the ability of the Combined Entity and/or any of its direct and indirect subsidiaries to achieve its investment objectives. Such changes could have a significant negative impact on the Combined Entity, its subsidiaries, the Ascott Reit-BT Stapled Unitholders, the Ascott Reit Manager and/or the Ascott BT Trustee-Manager (and its owners).

(B) Substantial A-HTRUST Stapled Unitholders and Substantial Ascott Reit Unitholders' Ownership of Ascott Reit-BT Stapled Units in the Combined Entity

For illustrative purposes only, the following table sets out the substantial A-HTRUST Stapled Unitholders and the substantial Ascott Reit Unitholders as at the Latest Practicable Date and their holdings in the Combined Entity after the Combination:

Name	Direct		Deemed ⁽¹⁾	
	No. of Ascott Reit-BT Stapled Units	% ⁽²⁾	No. of Ascott Reit-BT Stapled Units	% ⁽²⁾
Temasek	–	–	1,259,233,566	40.8
CLA	–	–	1,242,533,389	40.2
CapitaLand	–	–	1,242,533,389	40.2
TAL	476,152,416	15.4	–	–
SCPL	314,137,188	10.2	–	–
CFL	–	–	198,290,220	6.4
Ascott Reit Manager	198,290,220	6.4	–	–
APL	–	–	253,953,565	8.2
ALI	253,953,565	8.2	–	–
GT	61,306,521	2.0	–	–

Notes:

- (1) The deemed interest for each such entity arises through certain other members of such entity's group, as explained in **Appendices B** and **C**.
- (2) Calculated based on an aggregate of approximately 3,089.1 million Ascott Reit-BT Stapled Units, based on 903.6 million Consideration Units to be issued (which, in turn, is based on a total of 1,137.7 million A-HTRUST Stapled Units as at the Latest Practicable Date). This figure does not take into consideration any fees that may be payable in units to the Ascott Reit Manager or the A-HTRUST Managers prior to the Effective Date.

This page has been intentionally left blank.

APPENDIX D: THE A-HTRUST SCHEME

Part 1: Scheme Conditions

The Combination is conditional upon:

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

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

No.	Column (1) – Approval	Column (2) – Approval Threshold	Status
A-HTRUST Stapled Unitholders			
(v)	The approval by the A-HTRUST Stapled Unitholders to amend the A-HTRUST Trust Deeds to facilitate the implementation of the A-HTRUST Scheme at the extraordinary general meeting of the A-HTRUST Stapled Unitholders (the “ A-HTRUST EGM ”) to be convened.	Not less than 75% of the total number of votes held by the A-HTRUST Stapled Unitholders present and voting either in person or by proxy cast for and against this resolution.	× – to be sought pursuant to the A-HTRUST EGM.
(vi)	Subject to paragraph 1(v) being approved, the approval by the A-HTRUST Stapled Unitholders for the A-HTRUST Scheme at the A-HTRUST Scheme Meeting to be convened.	Not less than a majority in number of the A-HTRUST Stapled Unitholders representing at least 75% in value of the A-HTRUST Stapled Units held by the A-HTRUST Stapled Unitholders present and voting either in person or by proxy cast for and against this resolution.	× – to be sought pursuant to the A-HTRUST Scheme Meeting.
Ascott Reit Unitholders and A-HTRUST Stapled Unitholders			
(vii)	The approval by the Ascott Reit Unitholders or the A-HTRUST Stapled Unitholders, as the case may be, as are necessary or required pursuant to applicable Laws (including the Code, the Listing Manual, the Property Funds Appendix and the Business Trusts Act (Cap. 31A) of Singapore) or by a Court, the SIC, the MAS, the SGX or any other governmental authority, for or in respect of the implementation of the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme and the transactions contemplated under the Scheme Implementation Agreement.		Not applicable.

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

No.	Condition	Status
(a)	confirmations or exemptions from the MAS that:	
	<p>(i) (x) the Combination will not require two independent valuations of the real estate assets of A-HTRUST, with one of the valuers commissioned independently by the Ascott Reit Trustee; and</p> <p>(y) the consideration to be paid by the Ascott Reit Trustee to the A-HTRUST Stapled Unitholders need not be at a price not more than the higher of the aggregate of the assessed values of the real estate assets of A-HTRUST undertaken by each of the two independent valuers;</p>	√ – satisfied.

No.	Condition	Status
	(ii) in the event the Combination is implemented, the MAS would have no objection to the withdrawal of the authorisation of the A-HTRUST REIT as an authorised collective investment scheme, and the A-HTRUST REIT as a private sub-trust would no longer be subject to the requirements governing collective investment schemes;	✓ – satisfied.
	(iii) in the event the authorisation of the A-HTRUST REIT as an authorised collective investment scheme is withdrawn pursuant to Section 337 of the SFA, the MAS would have no objections to granting the A-HTRUST REIT an exemption from Section 295(2) of the SFA;	x – in the process of seeking approval.
	(iv) the MAS would grant an exemption from compliance with the requirements set out in Subdivision (3) of Division 2 (Collective Investment Schemes) of Part XIII (Offers of Investments) of the SFA, which relates to prospectus requirements, for the purposes of the A-HTRUST Scheme;	✓ – satisfied.
	(v) the MAS would grant an exemption from the requirement, while the Ascott Reit is stapled to the Ascott BT, for the directors of the Ascott BT Trustee-Manager to be independent under Regulations 12(1)(a) and 12(1)(b) of the Business Trust Regulations; and	✓ – satisfied. On 13 August 2019, the MAS granted an exemption to the Ascott BT Trustee-Manager from compliance with Regulations 12(1)(a) and 12(1)(b) of the Business Trust Regulations to the extent that the non-compliance with Regulations 12(1)(a) and 12(1)(b) of the Business Trust Regulations is due to any director of the Ascott BT Trustee-Manager being considered to be not independent from management and business relationships with the Ascott BT Trustee-Manager or from every substantial shareholder of the Ascott BT Trustee-Manager solely by virtue of such director of the Ascott BT Trustee-Manager also being a director of the Ascott Reit Manager. For the avoidance of doubt, a director of the Ascott BT Trustee-Manager shall not be considered independent from a substantial shareholder if he is also a director of a subsidiary or an associated company of the substantial shareholder (where the subsidiary or associated company is not the Ascott BT Trustee-Manager or the Ascott Reit Manager), such exemption to take effect from such date on which Ascott BT is registered by the MAS under Section 4(1) of the BTA and being subject to the following conditions:

No.	Condition	Status
		<ul style="list-style-type: none"> • the Ascott BT Trustee-Manager shall ensure that the Ascott BT Units remain stapled to the Ascott Reit Units; • the Ascott BT Trustee-Manager shall ensure that the Ascott Reit-BT Stapling Deed shall contain covenants binding the Ascott BT Trustee-Manager and the Ascott Reit Manager to exercise all due diligence and vigilance to safeguard the rights and interests of the Ascott Reit-BT Stapled Unitholders in the event of a conflict between the interests of the Ascott BT Trustee-Manager and the Ascott Reit Manager and their respective unitholders, and that of the Ascott Reit-BT Stapled Unitholders; and • such exemption and conditions are disclosed in this Composite Document and the A-HTRUST Scheme Document.
	<p>(vi) while each Ascott Reit Unit is stapled to one Ascott BT Unit:</p> <p>(x) the duty imposed on the Ascott Reit Manager under Section 286(10A)(a) of the SFA (and the corresponding duty imposed on the directors of the Ascott Reit Manager under Section 286(10B)(a) of the SFA) to act in the best interests of the Ascott Reit Unitholders; and</p>	<p>✓ – satisfied. On 13 August 2019, the MAS granted an exemption to:</p> <ul style="list-style-type: none"> • the Ascott Reit Manager from compliance with Section 286(10A)(a) of the SFA to the extent that Section 286(10A)(a) requires the Ascott Reit Manager to act in the best interests of all the Ascott Reit Unitholders as a whole only; and • the Ascott Reit Directors from compliance with Section 286(10B)(a) of the SFA to the extent that Section 286(10B)(a) requires the Ascott Reit Directors to take all reasonable steps to ensure that the Ascott Reit Manager discharges its duties under Section 286(10A)(a) to act in the best interests of all the Ascott Reit Unitholders as a whole only, <p>in each case, subject to the following conditions:</p> <ul style="list-style-type: none"> • the Ascott Reit Manager shall ensure that the Ascott Reit Units remain stapled to the Ascott BT Units; • the Ascott Reit Manager and the Ascott Reit Directors shall act in the best interests of all the Ascott Reit-BT Stapled Unitholders as a whole; and • such exemption and conditions are disclosed in this Composite Document and the A-HTRUST Scheme Document.

No.	Condition	Status
	<p>(y) the duty imposed on the Ascott BT Trustee-Manager under Section 10(2)(a) of the BTA (and the corresponding duty imposed on the directors of the Ascott BT Trustee-Manager under Section 11(1)(a) of the BTA) to act in the best interests of the holders of Ascott BT Units,</p> <p>may be superseded by an overriding duty to act in the best interests of the A-HTRUST Stapled Unitholders as a whole;</p>	<p>✓ – satisfied. On 13 August 2019, the MAS granted an exemption to:</p> <ul style="list-style-type: none"> • the Ascott BT Trustee-Manager from compliance with Section 10(2)(a) of the BTA to the extent that Section 10(2)(a) requires the Ascott BT Trustee-Manager to act in the best interest of all the Ascott BT Unitholders as a whole only; and • the directors of the Ascott BT Trustee-Manager from compliance with Section 11(1)(a) of the BTA to the extent that Section 11(1)(a) requires the Ascott BT Trustee-Manager to take all reasonable steps to ensure that the Ascott BT Trustee-Manager discharges its duty under Section 10(2)(a) to act in the best interests of all the Ascott BT Unitholders as a whole only, <p>such exemption to take effect from such date on which Ascott BT is registered by the MAS under Section 4(1) of the BTA and being subject to the following conditions:</p> <ul style="list-style-type: none"> • the Ascott BT Trustee-Manager shall ensure that the Ascott BT Units remain stapled to the Ascott Reit Units; • the Ascott BT Trustee-Manager and the directors of the Ascott BT Trustee-Manager shall act in the best interests of all the Ascott Reit-BT Stapled Unitholders as a whole; and • such exemption and conditions are disclosed in this Composite Document and the A-HTRUST Scheme Document.
(b)	confirmations from the SIC that:	
	(i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the A-HTRUST Scheme, subject to any conditions that the SIC may deem fit to impose;	✓ – satisfied.
	(ii) the SIC has no objections to the Conditions;	✓ – satisfied.

No.	Condition	Status
	(iii) that the declaration, making and payment of the A-HTRUST Permitted Distributions, if any, will not be a breach by the A-HTRUST Managers of Note 3 to Rule 5 of the Code;	✓ – satisfied.
	(iv) that the SIC has no objections to certain limited scope of proposed disclosures with respect to unitholding in A-HTRUST in the interests of confidentiality;	✓ – satisfied.
	(v) that only the Ascott Reit Directors (not the directors of CapitaLand) would be required to provide responsibility statements in respect of any documents issued in connection with the Combination, and that the financial information required to be presented under Rule 23.4 of the Code be limited to that of the Ascott Reit Group (and not CapitaLand and its subsidiaries and sub-trusts);	✓ – satisfied.
	(vi) that, with respect to Ascott Reit, Rule 11.3 of the Code, and with respect to A-HTRUST, Rule 5 of the Code, be waived, and the Ascott Reit Manager or the A-HTRUST Managers (as the case may be) be permitted to elect to receive a portion of its fees (which may include base management fees, performance management fees, acquisition fees and divestment fees) in Ascott Reit Units or A-HTRUST Stapled Units (as the case may be), if any such fees are due to be paid during the offer period with respect to the A-HTRUST Scheme; and	✓ – satisfied.
	(vii) the SIC has no objections to the Break Fee;	✓ – satisfied.
(c)	the grant of:	
	(i) the order of the Court sanctioning the Ascott Reit Scheme;	x – the order of the Court sanctioning the Ascott Reit Scheme is targeted to be obtained on or about 11 November 2019.
	(ii) the order of the Court sanctioning the A-HTRUST Scheme;	x – the order of the Court sanctioning the A-HTRUST is targeted to be obtained on or about 11 November 2019.
(d)	the approval-in-principle from the SGX-ST for:	
	(i) this Composite Document;	✓ – satisfied.
	(ii) the A-HTRUST Scheme Document;	✓ – satisfied.
	(iii) the proposed delisting of A-HTRUST from the SGX-ST after the A-HTRUST Scheme becomes effective and binding in accordance with its terms;	x – the approval-in-principle from the SGX-ST for the proposed delisting of A-HTRUST from the SGX-ST is targeted to be obtained in December 2019.

No.	Condition	Status
	(iv) the listing and quotation of the Ascott Reit-BT Stapled Units; and	✓ – satisfied. See paragraph 8 of the Letter to Ascott Reit Unitholders as to the conditions on which such approval was given.
	(v) the listing and quotation of the Consideration Units; and	✓ – satisfied. See paragraph 8 of the Letter to Ascott Reit Unitholders as to the conditions on which such approval was given.
(e)	the Treasurer of the Commonwealth of Australia (or his delegate):	
	(i) provides written notice that there are no objections under the Foreign Acquisitions and Takeovers Act 1975 (Cth) of Australia (“ FATA ”) to the Combination (whether conditionally or unconditionally); or	x – in the process of seeking approval.
	(ii) becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the Combination.	x – in the process of seeking approval.

(3) Tax approvals. The following approvals from the following tax authorities, and such approvals not having been cancelled, revoked, withdrawn or expired on or prior to the Relevant Date:

No.	Condition	Status
(a)	confirmation from the Inland Revenue Authority of Singapore (“ IRAS ”) (Comptroller of Stamp Duties) that stamp duty is not chargeable on the transfer of the A-HTRUST REIT Units and the A-HTRUST BT Units to Ascott Reit and Ascott BT, respectively;	x – in the process of seeking approval.
(b)	a tax ruling from the IRAS (Comptroller of Income Tax) that A-HTRUST REIT will be an approved sub-trust and enjoy tax transparency; and	✓ – satisfied.
(c)	in respect of Australia:	
	(i) a private ruling issued by the State Revenue Authority of New South Wales, Australia, that landholder duty applicable on the Ascott Reit Acquisition will be charged at the concessional rate based on the aggregate market value of A-HTRUST BT’s landholdings located in New South Wales, Australia; and	x – in the process of seeking approval.

No.	Condition	Status
	(ii) a variation issued by the Australian Tax Office pursuant to section 14-235 of Schedule 1 to the Taxation Administration Act 1953 (Cth) of Australia (“TAA”), which varies the rate of withholding tax required under section 14-200 of Schedule 1 to the TAA to nil with respect to the A-HTRUST BT Units held by any A-HTRUST Stapled Unitholder which holds 10% (on an associate inclusive basis, for the purposes of the Australian tax legislation) or more of all the A-HTRUST BT Units as at the Joint Announcement Date, to the extent that the A-HTRUST Scheme Consideration received by such A-HTRUST Stapled Unitholder for such A-HTRUST BT Units constitutes Ascott BT Units.	✓ – satisfied.

(4) No Legal or Regulatory Restraint.

Condition	Status
Between the Joint Announcement Date and up to the Relevant Date (both inclusive), there having been no decree, determination, injunction, judgment or other order (in each case, whether temporary, preliminary or permanent) issued by any court of competent jurisdiction or by any governmental authority which has the effect of enjoining, restraining or otherwise prohibiting the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or any part thereof, and which remains in force and effect as at the Relevant Date.	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.

(5) No Prescribed Occurrence.

No.	Condition	Status
	Between the Joint Announcement Date and up to the Relevant Date (both inclusive):	
(a)	there having been no Ascott Reit Prescribed Occurrence, other than as required or contemplated by the Scheme Implementation Agreement, the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or save to the extent disclosed to the Parties;	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.

No.	Condition	Status
(b)	there having been no A-HTRUST Prescribed Occurrence, other than as required or contemplated by the Scheme Implementation Agreement, the Combination, the Ascott Reit Scheme, the Ascott Reit Acquisition or the A-HTRUST Scheme or save to the extent disclosed to the Parties.	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.

(6) No Breach of Warranties and Covenants.

No.	Condition	Status
With respect to:		
(a)	Ascott Reit:	
	(i) there having been no breach of the Ascott Reit Warranties which are material in the context of the Combination as at the Joint Announcement Date and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date); and	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.
	(ii) the Ascott Reit Manager having in all material respects performed and complied with the Ascott Reit Material Covenants which are required to be performed or complied with by it on or prior to the Relevant Date; and	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.
(b)	A-HTRUST:	
	(i) there having been no breach of the A-HTRUST Warranties which are material in the context of the Combination as at the Joint Announcement Date and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date); and	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.
	(ii) the A-HTRUST Managers having in all material respects performed and complied with the A-HTRUST Material Covenants which are required to be performed or complied with by it on or prior to the Relevant Date.	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.

(7) No Material Adverse Effect.

No.	Condition	Status
There having been:		
(a)	no occurrence of any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated NTA of the Ascott Reit Group by more than 10% as compared with the consolidated NTA of the Ascott Reit Group of S\$2,644.1 million as at 31 December 2018 as stated in the Ascott Reit FY2018 Financial Statements (" Ascott Reit Material Adverse Effect ") from the Joint Announcement Date up to the Relevant Date (both inclusive); and	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.
(b)	no occurrence of any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated NTA of the A-HTRUST Group by more than 10% as compared with the consolidated NTA of the A-HTRUST Group of S\$1,153.6 million as at 31 March 2019 as stated in the A-HTRUST FY2018/2019 Financial Statements (" A-HTRUST Material Adverse Effect ") from the Joint Announcement Date up to the Relevant Date (both inclusive).	Not applicable – as this Condition refers to the absence (not the satisfaction) of things.

Part 2: Ascott Reit Warranties and A-HTRUST Warranties

Warranties which are customary for transactions of this nature, with respect to the following matters:

1. Due constitution, incorporation or establishment, ownership of equity interest.
2. Due authorisation, valid issuance and status of units, pre-emption rights.
3. Combination not resulting in breach of constitutive documents or orders of governmental authorities.
4. Full disclosure of and accuracy of information, compliance with continuing obligations as to disclosures in Listing Manual.
5. Customary warranties as to accounts and records, no changes since date of last audited financial statements.
6. Absence of undisclosed liabilities.
7. Compliance with applicable laws, no investigation or enquiries by, or outstanding orders of, governmental authorities.
8. Licences and consents for carrying on of businesses and operations.
9. No litigation, arbitration or administrative proceedings.
10. No insolvency event, winding-up, etc.
11. No interested person transactions, material contracts or joint ventures, etc., save as disclosed or in the ordinary and usual course of business.
12. Compliance with material contracts, material contracts being valid, binding and enforceable obligations.
13. Provisions or reserve for taxation, tax returns, information, clearances, incentives and residency.
14. Sufficiency of insurances, due payment of premium, no outstanding or unpaid claims under insurances.
15. Rights to and no infringement of intellectual property, due payment of renewal fees, etc.
16. Title to property and material assets, planning and development with respect to property, no compulsory acquisition, etc.
17. Employees, staff costs and contributions with respect to employees.
18. With respect to the Ascott Reit Trustee, sufficiency of financial resources.

Part 3: Ascott Reit Prescribed Occurrences and A-HTRUST Prescribed Occurrences

Prescribed occurrences which are customary for transactions of this nature, with respect to the following matters:

1. Amendment of Ascott Reit Trust Deed or A-HTRUST Trust Deeds.
2. Consolidation or sub-division of Ascott Reit Units and A-HTRUST Stapled Units.
3. Issuance of Ascott Reit Units, A-HTRUST Stapled Units or shares, units or equity securities in any Ascott Reit Group Entities or A-HTRUST Group Entities.
4. Securities buy-backs or repurchase.
5. Declaration, making or payment of distributions, save for Ascott Reit Permitted Distributions, A-HTRUST Permitted Distributions or distributions to be made pursuant to **paragraph 4.6** of the Letter to Ascott Reit Unitholders.
6. Incurrence of additional borrowings or indebtedness, entry into guarantees, indemnities or other similar arrangements or creation of Encumbrances over the assets or undertakings of an Ascott Reit Group Entity or A-HTRUST Group Entity.
7. Entry into material hedging or other derivative or off-balance sheet transactions.
8. Making or incurrence of material capital expenditure.
9. Material acquisitions and material disposals of real property or other assets.
10. Certain agreements with respect to real property, such as the amendment, modification or varying of any title documents with respect to such property.
11. Any Ascott Reit Group Entity or A-HTRUST Group Entity, or their respective directors, being subject to any governmental or regulatory investigations or proceedings.
12. Initiation, compromise or settlement of any material legal action or proceedings.
13. Ascott Reit or A-HTRUST being suspended or removed from the Main Board of the SGX-ST.
14. Cessation of business of any Ascott Reit Group Entity or A-HTRUST Group Entity.
15. Amendment of accounting policies of the Ascott Reit Group or the A-HTRUST Group.
16. Resolutions for winding up, insolvency or similar proceedings of any Ascott Reit Group Entity or any A-HTRUST Group Entity.
17. Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any Ascott Reit Group Entity or any A-HTRUST Group Entity to do any of the foregoing.

Part 4: Break Fee and Reverse Break Fee

1. Break Fee and Reverse Break Fee Triggers

- (a) Subject to **paragraphs 2 and 3** of this **Part 4 of Appendix D**, the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager have agreed (jointly, and not jointly and severally or severally) to pay the Break Fee to the Ascott Reit Trustee (without withholding or set-off):
- (i) if the Scheme Implementation Agreement is terminated by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an A-HTRUST Termination Event occurs, provided always that in the case of an A-HTRUST Termination Event that arises by reason of an A-HTRUST Superior Competing Offer (as defined in **Appendix D, Part 4**), such payment of the Break Fee shall only be made in the event that the A-HTRUST Superior Competing Offer results in at least a majority of the A-HTRUST Stapled Units being held by a person and its concert parties (other than the Ascott Reit Trustee or the Ascott Reit Manager) at the completion of the A-HTRUST Superior Competing Offer; or
 - (ii) if the Ascott Reit Trustee or the Ascott Reit Manager terminates the Scheme Implementation Agreement pursuant to **paragraph 4.1(b)** of the Letter to Ascott Reit Unitholders in relation to **paragraph 5(b)** or **6(b)** of **Part 1 of Appendix D**, or **paragraph 4.2(c)(iv)** or **4.2(c)(v)** of the Letter to Ascott Reit Unitholders.
- (b) Subject to **paragraphs 2 and 3** of this **Part 4 of Appendix D**, the Ascott Reit Trustee has agreed to pay the Reverse Break Fee to (in aggregate) the A-HTRUST REIT Trustee and the A-HTRUST BT Trustee-Manager (without withholding or set-off):
- (i) if the Scheme Implementation Agreement is terminated by either the Ascott Reit Trustee or the Ascott Reit Manager, on the one hand, or the A-HTRUST REIT Trustee or any A-HTRUST Manager, on the other hand, on the date on which an Ascott Reit Termination Event occurs; or
 - (ii) if the A-HTRUST REIT Trustee or any A-HTRUST Manager terminates the Scheme Implementation Agreement pursuant to **paragraph 4.2(b)** above in relation to **paragraph 5(a)** or **6(a)** of **Part 1 of Appendix D**, **paragraph 4.2(c)(ii)** or **paragraph 4.2(c)(iii)** of the Letter to Ascott Reit Unitholders.

For this purpose:

- (w) **“A-HTRUST Competing Offer”** means any expression of interest, offer or proposal by any Person, acting together with its concert parties, other than the Ascott Reit Trustee or the Ascott Reit Manager involving:
- (a) a sale, conveyance, transfer, assumption or other disposal (**“disposal”**) of any direct or indirect interest in some or all of the A-HTRUST Stapled Units exceeding 5% of all the A-HTRUST Stapled Units, whether in a single transaction or series of related transactions;
 - (b) an allotment or issuance of the A-HTRUST Stapled Units or securities in any A-HTRUST Group Entity (or convertible securities in respect of such A-HTRUST Stapled Units or securities) in each case exceeding 5% of all the A-HTRUST Stapled Units or such securities, as the case may be, immediately after such allotment or issuance, whether in a single transaction or series of related transactions;

- (c) a material disposal of any real property, assets or securities in any A-HTRUST Group Entity (save for the A-HTRUST Stapled Units);
 - (d) an offer (whether partial or otherwise) for the A-HTRUST Stapled Units;
 - (e) a scheme of arrangement involving A-HTRUST or any A-HTRUST Group Entity or the merger of A-HTRUST or any A-HTRUST Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any A-HTRUST Group Entity (other than A-HTRUST), such scheme of arrangement or merger is material to the A-HTRUST Group (taken as a whole);
 - (f) any agreement or other arrangement intended to achieve or having an effect similar to any of **paragraph (a) to (e)**; or
 - (g) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate, or delay or impede, the Combination, the Ascott Reit Acquisition or the A-HTRUST Scheme;
- (x) **“A-HTRUST Superior Competing Offer”** means a *bona fide* A-HTRUST Competing Offer that the A-HTRUST Independent Directors, acting in good faith and after taking advice from their legal and financial advisers, determine is:
- (a) of a higher financial value and more favourable to the A-HTRUST Stapled Unitholders than the A-HTRUST Scheme; and
 - (b) reasonably capable of being completed, including its conditions,
- in each case, taking into account all aspects of such A-HTRUST Competing Offer;
- (y) **“A-HTRUST Termination Event”** means either of:
- (a) with respect to the A-HTRUST Scheme:
 - (i) the A-HTRUST Scheme Document does not state that at least a majority of the A-HTRUST Independent Directors recommend that the A-HTRUST Stapled Unitholders approve the A-HTRUST Scheme;
 - (ii) a majority or more of the A-HTRUST Independent Directors withdraw or adversely change or adversely qualify their recommendation that the A-HTRUST Stapled Unitholders approve the A-HTRUST Scheme; or
 - (iii) any A-HTRUST Independent Director makes any public statement to the effect, or takes any other action that suggests, that the A-HTRUST Scheme is no longer considered, recommended or supported by at least a majority of the A-HTRUST Independent Directors (unless any such statement is publicly retracted or clarified, in each case, in writing and to the reasonable satisfaction of the Ascott Reit Trustee and the Ascott Reit Manager, within one Business Day after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so),
- in each case, unless the A-HTRUST IFA advises the A-HTRUST Independent Directors to recommend that the A-HTRUST Stapled Unitholders do not vote in favour of the A-HTRUST Scheme; and

- (b) with respect to any A-HTRUST Superior Competing Offer:
 - (i) any announcement, notice, release, circular, scheme document, offer information statement or any other information released by any A-HTRUST Manager to A-HTRUST Stapled Unitholders states that at least a majority of the A-HTRUST Directors recommend that the A-HTRUST Stapled Unitholders approve such A-HTRUST Superior Competing Offer;
 - (ii) any one or more A-HTRUST Director makes any public statement to the effect, or takes any other action that suggests, that at least a majority of the A-HTRUST Directors recommend that the A-HTRUST Stapled Unitholders approve such A-HTRUST Superior Competing Offer (unless any such statement is publicly retracted or clarified, in each case, in writing and to the reasonable satisfaction of the Ascott Reit Trustee and the Ascott Reit Manager, within one Business Day after being given notice by the Ascott Reit Trustee or the Ascott Reit Manager to do so); or
 - (iii) the A-HTRUST REIT Trustee or any A-HTRUST Manager enters into an agreement with any Person (other than the Ascott Reit Trustee or the Ascott Reit Manager) to implement, to co-operate or to take any step with respect to such A-HTRUST Superior Competing Offer;

- (z) **“Ascott Reit Termination Event”** means, with respect to the Ascott Reit Acquisition:
 - (a) this Composite Document does not state that at least a majority of the Ascott Reit Independent Directors recommend that the Ascott Reit Unitholders approve the Ascott Reit Acquisition;
 - (b) a majority or more of the Ascott Reit Independent Directors withdraw or adversely change or adversely qualify their recommendation that the Ascott Reit Unitholders approve the Ascott Reit Acquisition; or
 - (c) any Ascott Reit Independent Director makes any public statement to the effect, or takes any other action that suggests, that the Ascott Reit Acquisition is no longer considered, recommended or supported by at least a majority of the Ascott Reit Independent Directors (unless any such statement is publicly retracted or clarified, in each case, in writing and to the reasonable satisfaction of the A-HTRUST REIT Trustee and the A-HTRUST Managers, within one Business Day after being given notice by the A-HTRUST REIT Trustee or any A-HTRUST Manager to do so),

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

2. A-HTRUST Scheme Being Effective

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

3. Compliance with Applicable Laws

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

APPENDIX E: PROPOSED ASCOTT REIT SCHEME AMENDMENTS

Part A: Amendments to facilitate implementation of Ascott Reit Scheme

To insert the following provision as Clause 39 in the Ascott Reit Trust Deed immediately after Clause 38 of the Ascott Reit Trust Deed:

“39 ASCOTT REIT SCHEME

39.1 Definitions

For the purposes of this Clause 39:

“A-HTRUST BT” means the business trust known as “Ascendas Hospitality Business Trust” and constituted by the A-HTRUST BT Trust Deed;

“A-HTRUST BT Trust Deed” means the trust deed dated 13 March 2012 and amended and restated on 9 July 2012 constituting the A-HTRUST BT, as may be amended, supplemented or varied from time to time;

“A-HTRUST BT Trustee-Manager” means Ascendas Hospitality Trust Management Pte Ltd, in its capacity as trustee-manager of the A-HTRUST BT;

“A-HTRUST REIT” means the real estate investment trust known as “Ascendas Hospitality Real Estate Investment Trust” and constituted by the A-HTRUST REIT Trust Deed;

“A-HTRUST REIT Manager” means Ascendas Hospitality Fund Management Pte. Ltd., in its capacity as manager of A-HTRUST REIT;

“A-HTRUST REIT Trustee” means Perpetual (Asia) Limited, in its capacity as trustee of A-HTRUST REIT;

“A-HTRUST REIT Trust Deed” means the trust deed dated 13 March 2012 and amended and restated on 9 July 2012 constituting the A-HTRUST REIT, as may be amended, supplemented or varied from time to time;

“A-HTRUST Scheme” has the meaning given in the Implementation Agreement;

“A-HTRUST Scheme Implementation Date” has the meaning given in the Implementation Agreement;

“Ascott BT” means the business trust known as “Ascott Business Trust” and constituted by the Ascott BT Trust Deed;

“Ascott BT Trust Deed” means the Deed of Trust constituting Ascott BT dated 9 September 2019 (as amended);

“Ascott BT Trustee-Manager” means Ascott Business Trust Management Pte. Ltd., in its capacity as trustee-manager of the Ascott BT;

“Ascott BT Unit” means an issued and outstanding unit in Ascott BT, representing one undivided interest in Ascott BT. Where the context so requires, the definition includes an Ascott BT Unit of a Class;

“Ascott Reit Acquisition” has the meaning given in the Implementation Agreement;

“Ascott Reit EGM” means the meeting of the Holders to be convened to approve the Ascott Reit Trust Deed Amendment Resolutions and the Ascott Reit Acquisition (and any adjournment thereof);

“Ascott Reit Scheme” means the trust scheme of arrangement by which:

- (a) all of the Ascott BT Units will be distributed *in specie* to the Ascott Reit Scheme Unitholders pursuant to Clause 39.2.4(i) below; and
- (b) each Ascott BT Unit will be stapled to one Ascott Reit Scheme Unit pursuant to Clause 39.2.4(ii) below,

so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed;

“Ascott Reit Scheme Entitlement Date” means the date on which the Depository Register will be closed in order to determine the entitlements of the Ascott Reit Scheme Unitholders in respect of the Ascott Reit Scheme;

“Ascott Reit Scheme Implementation Date” means the date on which the Ascott Reit Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date;

“Ascott Reit Scheme Resolutions” means the resolutions of the Holders to approve the Ascott Reit Scheme;

“Ascott Reit Scheme Unit” means an issued and outstanding Unit as at the Ascott Reit Scheme Entitlement Date;

“Ascott Reit Scheme Unitholder” means each person who is registered on the Depository Register as a holder of Units as at the Ascott Reit Scheme Entitlement Date;

“Ascott Reit Trust Deed Amendment Resolutions” means the Extraordinary Resolutions of Holders to approve the Ascott Reit Trust Deed Amendments;

“Ascott Reit Trust Deed Amendments” means the proposed amendments to this Trust Deed to facilitate the implementation of the Ascott Reit Scheme;

“Ascott Reit-BT Stapled Units” means the stapled Units and Ascott BT Units;

“Ascott Reit-BT Stapling Deed” means the stapling deed of the Trust and Ascott BT dated 9 September 2019 (as amended);

“Business Day” means a day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore for the transaction of normal banking business;

“Court” means the High Court of the Republic of Singapore or, where applicable on appeal, the Court of Appeal of the Republic of Singapore;

“Effective Date” means the date on which the Ascott Reit Scheme becomes effective in accordance with its terms;

“Implementation Agreement” means the implementation agreement dated 3 July 2019 made between the Trustee, the Manager, the A-HTRUST REIT Trustee, the A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager, as amended and restated on 9 September 2019 to reflect certain amendments and restatements agreed by such parties, and as may be amended from time to time; and

“Stapled” has the meaning given in the Ascott Reit-BT Stapling Deed.

39.2 Implementation of Ascott Reit Scheme

39.2.1 Each Ascott Reit Scheme Unitholder, the Trustee and the Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee and/or the Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of the Ascott Reit Scheme, the Implementation Agreement and the transactions contemplated by them and any other matters reasonably incidental thereto.

39.2.2 Without limiting the other powers of the Trustee and the Manager under this Clause 39, each of the Trustee and the Manager shall have the power to do all things which it considers necessary or desirable to execute, implement and/or to give effect to the Ascott Reit Scheme, the Implementation Agreement and the transactions contemplated by them and any other matters reasonably incidental thereto.

39.2.3 Subject to Relevant Laws, Regulations and Guidelines, each of the Trustee and the Manager and any of their directors, officers, employees or representatives may do any act, matter or thing described in or contemplated by this Clause 39 even if they have an interest (financial or otherwise) in, or in the outcome of, such act, matter or thing.

39.2.4 Without limiting the powers of the Trustee and the Manager under this Clause 39, on the Ascott Reit Scheme Implementation Date (which shall occur on the same date as the A-HTRUST Scheme Implementation Date), the Trustee and the Manager shall:

- (i) distribute or cause to be distributed *in specie* all of the Ascott BT Units to the Ascott Reit Scheme Unitholders on the basis of one Ascott BT Unit for every Unit held by such Ascott Reit Scheme Unitholders as at the Ascott Reit Scheme Entitlement Date; and
- (ii) Staple or cause to be Stapled each Ascott BT Unit to one Ascott Reit Scheme Unit,

so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed.

39.2.5 This Clause 39 shall, on and with effect from the time at which the Ascott Reit Trust Deed Amendment Resolutions have been duly passed at the Ascott Reit EGM but subject to Clause 39.3 below:

- (i) bind the Trustee, the Manager and all Holders from time to time, including those who do not attend the Ascott Reit EGM, those who do not vote at the Ascott Reit EGM and those who vote against the Ascott Reit Trust Deed Amendment Resolutions at the Ascott Reit EGM; and
- (ii) to the extent of any inconsistency, override any other provisions of this Deed (but, for the avoidance of doubt, remain subject to Relevant Laws, Regulations and Guidelines).

39.2.6 If:

- (i) the Ascott Reit Scheme Resolutions have been approved by a majority in number of Holders representing at least three-fourths in value of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Ascott Reit Scheme Meeting;
- (ii) the Ascott Reit Scheme has been sanctioned by an order of the Court; and
- (iii) the Ascott Reit Scheme has become effective in accordance with its terms,

the Ascott Reit Scheme shall, on and with effect from the Effective Date, be binding on the Trustee, the Manager and all Holders from time to time, including those who do not attend the Ascott Reit Scheme Meeting, those who do not vote at the Ascott Reit Scheme Meeting, and those who vote against the Ascott Reit Scheme Resolutions at the Ascott Reit Scheme Meeting.

39.3 Lapse

This Clause 39 shall lapse and have no further force or effect if either the Ascott Reit Scheme or the A-HTRUST Scheme does not become effective in accordance with its terms or lapses or is terminated in accordance with the Implementation Agreement.”

Part B: Amendments to facilitate stapling of Ascott Reit Units with Ascott BT Units

To make the following amendments to the Ascott Reit Trust Deed on the basis and subject to the provision that all such amendments shall lapse and have no further force or effect if either the Ascott Reit Scheme or the A-HTRUST Scheme does not become effective in accordance with its terms or lapses or is terminated in accordance with the Implementation Agreement:

(1) to amend Clause 1.1 of the Ascott Reit Trust Deed by inserting the following definitions:

“**Ascott BT**” means the business trust known as “Ascott Business Trust” and constituted by the Ascott BT Trust Deed;

“**Ascott BT Trust Deed**” means the Deed of Trust constituting Ascott BT dated 9 September 2019 (as amended);

“**Ascott BT Trustee-Manager**” means Ascott Business Trust Management Pte. Ltd., in its capacity as trustee-manager of the Ascott BT;

“**Ascott BT Unit**” means an issued and outstanding unit in Ascott BT, representing one undivided interest in Ascott BT. Where the context so requires, the definition includes an Ascott BT Unit of a Class;

“**Ascott Reit-BT Stapling Deed**” means the stapling deed of the Trust and Ascott BT dated 9 September 2019 (as amended);

“**Current Stapled Security Value**” means at any time, the value of all the assets of the Stapled Group (including assets accrued but not yet received), less all the liabilities of the Stapled Group (including liabilities accrued but not yet paid) and any provision is taken into account in determining the liabilities of the Stapled Group at that time divided by the number of Stapled Securities in issue and deemed to be in issue at that time;

“**Relevant Laws, Regulations and Guidelines**” means, as applicable in the context, any or all laws, regulations and guidelines that apply to the Trust, including the Code, the Property Funds Appendix, the Securities and Futures Act, the Listing Rules, the listing rules of any relevant Recognised Stock Exchange, all applicable tax laws and all directions, guidelines or requirements imposed by any competent authority that apply to the Trust, as the same may be modified, amended, supplemented, revised or replaced from time to time, including any waiver, exception, approval, consent or relief from time to time granted to the Trust by any regulatory authority including the SGX-ST, any other relevant Recognised Stock Exchange and the Authority;

“**Stapled**” means the linking together of a Unit and another Security or other Securities so that any one may not be transferred or otherwise dealt with without the other and “**Stapling**” shall be construed accordingly;

“**Stapled Entities**” means the Trust, Ascott BT and any other entity, trust, business trust or any other business form whose Securities are Stapled together with Units and “**Stapled Entity**” means any one of them;

“**Stapled Group**” means the group comprising the Stapled Entities;

“**Stapled Security**” means a Unit and another Security or other Securities which are Stapled together;”

- (2) to amend the following definitions in Clause 1.1 of the Ascott Reit Trust Deed by adding the underlined text below:

“**Business Day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST (and, if the Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities are Listed on any other Recognised Stock Exchange, that Recognised Stock Exchange) is open for trading;

“**Depositor**” means:

- (i) direct account holder with the Depository; or
- (ii) a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Depository Register in respect of Units held by him or (in the event that the Trust is part of a Stapled Group) Stapled Securities held by him or (in the event that the Trust is part of a Stapled Group) Stapled Securities held by him;”

“**Depository Agreement**” means the Depository Agreement to be entered into between the Depository, the Manager and the Trustee containing their agreement on the arrangements relating to the Units being deposited with the Depository pursuant to the listing of the Trust on the SGX-ST or (in the event the Trust is part of the Stapled Group) the Stapled Group on the SGX-ST, as the same may be amended from time to time;

“**Depository Register**” means the electronic register of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities deposited with the Depository maintained by the Depository;

“**Fiscal and sale charges**” or “**Fiscal and purchase charges**” means all stamp and other duties, taxes (including GST), governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase of the Deposited Property or the creation, issue, sale or repurchase of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities or the sale or purchase of Investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commissions payable to agents on sales and repurchases of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities;

“**Joint Depositors**” means such persons for the time being entered in the Depository Register as joint depositors in respect of a Unit or (in the event that the Trust is part of a Stapled Group) Stapled Securities either as Joint-All Depositors or Joint-Alternate Depositors;

“**Listed**” in relation to the Units or the Trust or (in the event that the Trust is part of a Stapled Group) the Stapled Group, means being listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange(s) and the Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities having not been suspended from such listing, quotation or trading for more than 60 consecutive calendar days or having not been de-listed permanently;

“Listing Date” means the date on which Units or (in the event that the Trust is part of a Stapled Group) Stapled Group are/is first listed on the SGX-ST or any other Recognised Stock Exchange;

“Listing Rules” means the listing rules for the time being applicable to the listing of the Trust as an investment fund on the SGX-ST or (in the event the Trust is part of the Stapled Group) the Stapled Group on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time;

“Market Price” in relation to a Unit shall have the meanings ascribed to it in Clauses 5.2.4 and 5.2.8 and in relation to a Stapled Security shall have the meaning ascribed to it in Clause 5.9.4;”

- (3) to insert the following new Clause 1.9 of the Ascott Reit Trust Deed:

“1.9 Scope of Clauses

1.9.1 Clauses 2.1, 2.2, 2.3, 2.5, 2.6, 3, 5.1.3, 5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5, 5.2.6, 5.2.7, 5.2.8, 5.2.9, 5.2.10, 5.2.11, 5.4, 5.7, 9, 18.3 do not apply for so long as the Trust is part of a Stapled Group and to the extent that provision has been made for the subject matters dealt with in such Clauses in the Ascott Reit-BT Stapling Deed for the purpose of Stapling Units to any other Security or Securities.

1.9.2 In the event of any inconsistency between the respective obligations of the Manager or the Trustee, as the case may be, under this Deed and the Ascott Reit-BT Stapling Deed, the provisions of the Ascott Reit-BT Stapling Deed shall prevail and apply to the extent of such inconsistency.”

- (4) to amend Clause 2.3 of the Ascott Reit Trust Deed by adding the underlined text below:

“2.3 Sub-division and Consolidation of Units

The Manager may at any time with the approval of the Trustee and on such prior written notice as may be approved by the Trustee given by the Manager or the Trustee to each Holder (or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to the Depository for onward delivery to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders or (as the case may be) the Depositors shall be bound accordingly. The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and the Trustee shall cause the Depository to alter the Depository Register accordingly in each relevant Depositor’s Securities Account the new number of Units or where so permitted by the Relevant Laws, Regulations and Guidelines, the new number of Stapled Securities held by such Depositor as a result of such sub-division or consolidation.

For the avoidance of doubt, for so long as Units are Stapled with another Security or other Securities, the Stapled Securities shall be sub-divided or consolidated in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Manager and the Trustee for the purpose of Stapling Units to any other Security or Securities.”

- (5) to amend Clause 2.4 of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“2.4 Terms and Conditions of Trust Deed, ~~and Supplemental Deeds~~ and Ascott Reit-BT Stapling Deed to Bind Holders

The terms and conditions of this Deed shall be binding on each Holder or (as the case may be) each Depositor and all persons claiming through him as if he had been party thereto and as if this Deed contained covenants on the part of each Holder or (as the case may be) each Depositor to observe and be bound by all the provisions hereof and an authorisation by each Holder or (as the case may be) each Depositor to do all such acts and things as this Deed may require the Trustee or the Manager (as the case may be) to do. A copy of this Deed and of any supplemental deed for the time being in force shall be made available for inspection at the respective registered offices of the Trustee and of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person on application at a charge not exceeding S\$10 per copy document.

For so long as the Trust and Ascott BT are part of a Stapled Group and the Units are stapled with the Ascott BT Units, the terms and conditions of the Ascott Reit-BT Stapling Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if the Ascott Reit-BT Stapling Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as the Ascott Reit-BT Stapling Deed and any supplemental deed (including any amending and restating deed) may require the Trustee or (as the case may be) the Manager to do.”

- (6) to insert the following new Clause 2.8 of the Ascott Reit Trust Deed:

“2.8 Provisions as to Units, Holders and Statements of Holdings where the Trust is part of the Stapled Group

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply, with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to references to the holders of Stapled Securities and Stapled Securities respectively, and reference to this Deed shall be read to include the Ascott Reit-BT Stapling Deed.”

- (7) to amend Clause 3.8 of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“3.8 Transfer of Unlisted Units

3.8.1 For so long as the Trust is Unlisted and not part of a Stapled Group, every Holder shall be entitled to transfer the Units or any of the Units held by him or in the case of Joint Holders by all the Joint-All Holders or by any one of the Joint-Alternate Holders as follows:

3.8.6 So long as the Trust is not part of a Stapled Group, No transfer or purported transfer of an Unlisted Unit other than a transfer made in accordance with this Clause 3 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

- (8) to amend Clause 4.3 of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“4.3 Charges and Fees

There shall be payable out of the Deposited Property in addition to any other charges or fees expressly authorised by this Deed by way of direct payment or reimbursement of the Manager or the Trustee, all fees, costs, charges and expenses properly and reasonably incurred in carrying out the duties of the Manager and the Trustee (whether imposed by the Relevant Laws, Regulations and Guidelines, this Deed or the Ascott Reit-BT Stapling Deed), exercising all powers, authorities, discretions and rights under this Deed, the Ascott Reit-BT Stapling Deed or pursuant to any undertaking, indemnity, representation or warranty given by or agreement entered into by the Manager or the Trustee pursuant to their powers, authorities, discretions and rights under this Deed or the Ascott Reit-BT Stapling Deed or in managing and administering the Trust, including but not limited to:

- 4.3.11 all interest, fees, charges and expenses (including, without limitation, legal fees and costs and fees and costs related to debt arrangement and underwriting of debt instruments) on any lending to the subsidiaries or entities of the Trust or any other entity in the Stapled Group or on borrowings effected under Clause 10.11 and in negotiating, entering into, varying, carrying into effect (with or without variation) and terminating any lending or borrowing arrangement (whether or not any such debt arrangement or underwriting is completed or aborted);
- 4.3.27 all other expenses, charges or fees properly and reasonably incurred by the Manager or the Trustee as a consequence of the due performance by the Manager or the Trustee of its obligations and duties under this Deed, and under any agreement entered into by the Manager or the Trustee for the purpose of Stapling Units to any other Security or Securities, including (without limitation) any expense, charge or fee incurred as a result of (a) the introduction of any change in, or in the interpretation or application of, any law, regulation, rule or directive of any agency of state or regulatory or supervisory body or (b) compliance by the Trustee or the Manager with any such law, regulation, rule or directive;
- 4.3.37 all fees, charges and expenses of asset managers, property managers, project managers and agents appointed in relation to the operation and management of the Investments notwithstanding that such asset managers, property managers, project managers and agents may be the Manager or a Related Party of the Manager;~~and~~

4.3.38 all fees, charges, expenses and liabilities incurred or to be incurred in relation to any indemnity given to the Depository; and

4.3.39 all fees, costs, charges, expenses and liabilities incurred by the Trust pursuant to the terms and conditions of the Ascott Reit-BT Stapling Deed or any agreement or deed entered into by the Manager and the Trustee for the purpose of Stapling Units to any other Security or Securities,”

(9) to insert the following new Clause 5.1.5 of the Ascott Reit Trust Deed:

“5.1.5 Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Manager and the Trustee for the purpose of Stapling Units to any other Security or Securities.”

(10) to insert the following new Clause 5.9 of the Ascott Reit Trust Deed:

“5.9 Issue of Units Stapled to Other Securities

5.9.1 Subject to Clause 5.1 and the Relevant Laws, Regulations and Guidelines, the Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Manager may determine in its absolute discretion, provided that each Unit to be issued in consideration for the acquisition of the units in A-HTRUST pursuant to the A-HTRUST Scheme shall:

(i) be issued to the relevant holders of such units in A-HTRUST on an Unstapled basis; and

(ii) immediately after such issuance and receipt thereof by such holders (including by way credit of such Units in the Securities Accounts of such holders) be Stapled with one Ascott BT Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed.

5.9.2 For the purposes of this Clause 5.9, the Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities.

5.9.3 For so long as the Stapled Group is Unlisted, the Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager, the Trustee and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.

5.9.4 In the event that the Stapled Group is Listed, the Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose “Market Price” shall be determined in accordance with Clause 5.2.4 save that references to “Unit” or “Units” in Clause 5.2.4 shall be construed to refer to “Stapled Security” or “Stapled Securities” respectively.”

(11) to amend Clause 9.1 of the Ascott Reit Trust Deed by adding the underlined text below:

“9.1 Listing of Trust

The Manager may cause the Trust or (in the event the Trust is part of the Stapled Group) the Stapled Group to be listed on the SGX-ST and to be secondarily listed on other Recognised Stock Exchanges, at the cost and expense of the Trust which shall be borne by the Deposited Property.”

(12) to amend Clause 10.2 of the Ascott Reit Trust Deed by adding the underlined text below:

“10.2 Investment of the Trust

Subject to the provisions of this Deed:

10.2.3 the Manager may from time to time change its investment strategy (and if the Trust is Listed or (in the event that the Trust is part of a Stapled Group) the Stapled Group is Listed, subject to compliance with the Listing Requirements) for the Trust so long as it has given not less than 30 days’ prior notice of the change to the Trustee and to the Holders by way of written notice before the Listing Date or if the Trust is Unlisted and by way of an announcement to the SGX-ST if the Trust is Listed or (in the event that the Trust is part of a Stapled Group) the Stapled Group is Listed; and”

(13) to amend Clause 10.4 of the Ascott Reit Trust Deed by adding the underlined text below:

“10.4 Ownership of Special Purpose Vehicle and Treasury Company

10.4.5 The Manager shall procure and ensure that such directors (or equivalent member of the governing body) of the Special Purpose Vehicle or the Treasury Company (as the case may be) nominated by the Manager and appointed by the Trustee, to the extent applicable, observe and to be bound by the same investment policies, strategies, duties, obligations and restrictions which are imposed on the Manager under this Deed (including without limitation, the provisions of Clause 20 and the requirements of the Code, the Property Funds Guidelines, the Listing Rules (where the Trust or (in the event that the Trust is part of a Stapled Group) the Stapled Group is listed on the SGX-ST) (and the listing rules of any other relevant Recognised Stock Exchange) and the Tax Ruling (where applicable).”

(14) to amend Clause 10.11 of the Ascott Reit Trust Deed by adding the underlined text below:

“10.11 Manager May Require Trustee to Borrow or Raise Money

10.11.1 Subject to Clause 10.11.3 and on and after the Listing Date, the Property Funds Guidelines, the Manager may whenever:

(iii) it considers it desirable that moneys be lent, borrowed or raised to finance the on-lending of moneys to any other entity in the Stapled Group for the purpose of furthering the interests of the holders of the Stapled Securities as a whole,”

(15) to insert the following paragraph at the end of Clause 10.17 of the Ascott Reit Trust Deed:

“For so long as the Trust is part of a Stapled Group, the Manager may, whenever it considers it necessary or desirable in order to further the interests of the holders of the Stapled Securities as a whole, require the Trustee to lend moneys out of the Deposited Property to any other entity in the Stapled Group on such terms and conditions as may be determined by the Manager, subject to compliance with the Relevant Laws, Regulations and Guidelines provided that the Trustee shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage, guarantee or agreement in respect of such lending which (in the opinion of the Trustee) would cause the Trustee’s liability to extend beyond the limits of the Deposited Property.”

(16) to amend Clause 11.12 of the Ascott Reit Trust Deed by adding the underlined text below:

“11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders or (as the case may be) Depositors, from time to time in writing that Holders or (as the case may be) Depositors, may on terms specified in the notice participate in an arrangement under which Holders or (as the case may be) Depositors may request that all or a proportion of specified distributions due to them be applied to the issue of further Units, PROVIDED THAT the Issue Price for any such Units shall be the Issue Price specified in Clause 5.2.4, 5.2.6 or 5.2.7 as appropriate if the Units are Listed and Clause 5.2.5 if the Units are Unlisted after the Listing Date. The Units so issued shall be deemed to be purchased by such Holders or (as the case may be) such Depositors. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.”

(17) to amend Clause 12.1 of the Ascott Reit Trust Deed by adding the underlined text below:

“12.1 Place and Conditions of Payment

12.1.3 Any moneys payable by the Trustee to any Depositor appearing in the Depository Register in respect of Units on the relevant Record Date under the provisions of this Deed shall be made in the case of Units of such Depositor or (in the event that the Trust is part of a Stapled Group) Stapled Securities of such Depositor credited into a Securities Account by the payment of such moneys into the Depository’s bank account as notified to the Manager and the Trustee and the Trustee shall cause the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the address of that one of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Holder and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne by the Deposited Property. No amount payable to any Holder or Depositor shall bear interest.”

(18) to amend Clause 12.3 of the Ascott Reit Trust Deed by adding the underlined text below:

“12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository in respect of the Depositors, for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities shall be a good discharge to the Manager or the Trustee (as the case may be) and if several persons are registered as Joint Holders or (as the case may be) Joint Depositors or, in consequence of the death of a Holder or (as the case may be) a Depositor, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.”

(19) to insert the following paragraphs at the end of Clause 15.1.1 of the Ascott Reit Trust Deed:

“15.1.1 Where the Trust is part of a Stapled Group, the Base Fee shall be paid to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager’s subsidiaries) in the form of cash and/or Stapled Securities (as the Manager may elect prior to the relevant calendar quarter) out of the Deposited Property, subject to all the foregoing provisions of this Clause 15.1.1 (where applicable), including the mechanism in relation to the accrual, computation and calculation of the Base Fee.

All Units or Stapled Securities issued to the Manager under Clause 15.1.1 shall be credited as fully paid and rank pari passu with other Units or Stapled Securities of the same class and the Manager, or any person which the Manager may designate or nominate (including but not limited to the Manager’s subsidiaries), shall be entitled to all the rights attached to any Units or Stapled Securities issued to it under this Clause 15.1.1 as any other Holder of Units or Stapled Securities.”

(20) to insert the following paragraphs at the end of 15.1.2 of the Ascott Reit Trust Deed:

“15.1.2 Where the Trust is part of a Stapled Group, the Performance Fee shall be paid to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager’s subsidiaries) in the form of cash and/or Stapled Securities (as the Manager may elect prior to the relevant Financial Year) out of the Deposited Property, subject to all the foregoing provisions of this Clause 15.1.2 (where applicable), including the mechanism in relation to the computation and calculation of the Performance Fee.

All Units or Stapled Securities issued to the Manager under this Clause 15.1.2 shall be credited as fully paid and rank pari passu with other Units or Stapled Securities of the same class and the Manager, or any person which the Manager may designate or nominate (including but not limited to the Manager’s subsidiaries), shall be entitled to all the rights attached to any Units or Stapled Securities issued to it under this Clause 15.1.2 as any other Holder of Units or Stapled Securities.”

(21) to amend Clause 15.2 of the Ascott Reit Trust Deed by adding the underlined text below:

“15.2.1 The Manager is also entitled to receive:

- (i) An Acquisition Fee not exceeding the rate of 1.0 per cent. of the Enterprise Value (for the purposes of this Clause 15.2.1(i), the “**permitted limit**”) of any Real Estate or Real Estate Related Asset acquired directly or indirectly by the Trust (pro-rated if applicable to the proportion of the Trust’s interest in the Real Estate or Real Estate Related Asset acquired), subject to the provisions of Clause 15.2.4. For this purpose, where the assets acquired by the Trust 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 the Trust and where the asset acquired by the Trust is a Real Estate, “Enterprise Value” shall mean the value of the Real Estate. Any increase in the Acquisition Fee above the permitted limit or any change in the structure of the Acquisition Fee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors duly convened and held in accordance with the provisions of the Schedule hereto. The Acquisition Fee will be paid in cash to the Manager but in the event the Manager receives any Acquisition Fee in connection with an acquisition from a Related Party, such Acquisition Fee shall be payable in the form of Units or Stapled Securities (if the Trust is part of a Stapled Group) at the Issue Price determined under Clause 5.2.6(iv) if the Trust or the Stapled Group is Listed, or the Current Unit Value or (as the case may be) the Current Stapled Security Value at the time of issue of such Units or (as the case may be) Stapled Securities if the Trust or the Stapled Group is Unlisted, and be subject to the restrictions in the Property Funds Guidelines. The Acquisition Fee is payable as soon as practicable after completion of the acquisition. The Manager may at its sole discretion waive the payment of the Acquisition Fee in respect of any acquisition; and

- (ii) A Divestment Fee not exceeding the rate of 0.5 per cent. of the Enterprise Value (for the purposes of this Clause 15.2.1 (ii), the “permitted limit”) of any Real Estate or Real Estate Related Asset sold or divested directly or indirectly by the Trust (pro-rated if applicable to the proportion of the Trust’s interest in the Real Estate or Real Estate Related Asset sold), subject to the provisions of Clause 15.2.4. Any increase in the Divestment Fee above the permitted limit or any change in the structure of the Divestment Fee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors duly convened and held in accordance with the provisions of the Schedule hereto. The Divestment Fee will be paid in cash to the Manager, but in the event the Manager receives any Divestment Fee in connection with a divestment with a Related Party, such Divestment Fee shall be payable in the form of Units or Stapled Securities (if the Trust is part of a Stapled Group) at the Issue Price determined under Clause 5.2.6(iv) if the Trust or the Stapled Group is Listed, or the Current Unit Value or (as the case may be) the Current Stapled Security Value at the time of issue of such Units or (as the case may be) Stapled Securities if the Trust or the Stapled Group is Unlisted, and be subject to the restrictions in the Property Funds Guidelines. The Divestment Fee is payable as soon as practicable after completion of the divestment.

All Units or Stapled Securities issued to the Manager under Clause 15.2.1 shall be credited as fully paid and rank pari passu with other Units or Stapled Securities of the same class and the Manager, or any person which the Manager may designate or nominate (including but not limited to the Manager’s subsidiaries), shall be entitled to all the rights attached to any Units or Stapled Securities issued to it under this Clause 15.2.1 as any other Holder of Units or Stapled Securities.

- 15.2.5 In the event the Manager receives an Acquisition Fee or Divestment Fee in connection with a transaction with a Related Party, any such Acquisition Fee or Divestment Fee shall be paid in the form of Units or Stapled Securities (if the Trust is part of a Stapled Group) to be issued by the Trust at the market price under Clause 5.2.6(iv) if the Trust or the Stapled Group is Listed, or the Current Unit Value or (as the case may be) the Current Stapled Security Value at the time of issue of such Units or (as the case may be) Stapled Securities if the Trust or the Stapled Group is Unlisted, with such Units having a moratorium on sale of one year from the date of their issuance.”

- (22) to amend Clause 18.1 of the Ascott Reit Trust Deed by adding the underlined text below:

“18.1 Sales or Dealings as Principal Prohibited in Certain Cases

18.1.2 the Trustee or the Manager or any connected person from becoming the owner of Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities and/or instruments convertible into Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities and holding, disposing of, or otherwise dealing with, the same, with the same rights (subject as provided in paragraph 1 of the Schedule hereto) which it would have had if neither the Trustee nor the Manager nor any connected person were a party to, or delegate under, this Deed, PROVIDED THAT in so owning, holding or disposing of or otherwise dealing with Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities and/or instruments convertible into Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities, the Trustee and the Manager shall each maintain with respect to the Trustee or the Manager and any of its

respective connected persons a register giving details of such transactions, including the prices, discounts, net prices, quantities of Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities and/or instruments convertible into Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities transacted and dates of and parties to such transactions, or from buying, holding or dealing in any Investments upon their respective individual accounts, notwithstanding that similar Investments may be held under this Deed as part of the Deposited Property. The Trustee and the Manager shall each respectively ensure that any such transaction in Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities and/or instruments convertible into Units or (in the event that the Trust is part of the Stapled Group) Stapled Securities by it or them be carried out in a manner which shall not prejudice the interests of the Holders or (as the case may be) Depositors. The respective registers of the Trustee and the Manager shall be available for inspection by the Trustee and the Holders or (as the case may be) Depositors. Neither the Trustee nor the Manager nor any connected person shall be liable to account, either to the other or others of them or to the Holders or (as the case may be) the Depositors or any of them, for any profits or benefits made or derived by or in connection with any transaction permitted under this Clause 18.1.2.”

(23) to amend Clause 18.10 of the Ascott Reit Trust Deed by adding the underlined text below:

“18.10 Resolutions

Neither the Trustee nor the Manager shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders or (as the case may be) the Depositors, or where applicable, the holders of the Stapled Securities in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders or (as the case may be) the Depositors or where applicable, the holders of the Stapled Securities.”

(24) to amend Clause 19.9 of the Ascott Reit Trust Deed by adding the underlined text below:

“19.9 Indemnity Out of Deposited Property

Subject as herein expressly provided and without prejudice to any right of indemnity at law given to the Trustee, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee (including, without limitation, under this Deed and the Ascott Reit-BT Stapling Deed) to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Manager to indemnify and/or reimburse the Trustee pursuant to the provisions of this Deed, in the absence of bad faith, fraud, gross negligence, wilful default, breach of any provision of this Deed or breach of trust by the Trustee.”

(25) to amend Clause 19.11 of the Ascott Reit Trust Deed by adding the underlined text below:

“19.11 Trustee Not Bound to Check Valuations

The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any calculation of the prices at which Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities are to be issued or realised, except as herein expressly provided and in accordance with the Property Funds Guidelines, but shall be entitled at any time to require the Manager to justify the same.”

(26) to amend Clause 19.13 of the Ascott Reit Trust Deed by adding the underlined text below:

“19.13 Acts of Trustee

19.13.3 The Trustee and the Manager shall be entitled to rely absolutely on any declaration of tax residence which may be received from a Holder or prospective Holder or applicant for Units or (in the event the Trust is part of a Stapled Group) Stapled Securities.”

(27) to amend Clause 19.14 of the Ascott Reit Trust Deed by adding the underlined text below (with the subsequent sub-clauses to be re-numbered accordingly):

“19.14 Powers of Trustee

Subject to the provisions of this Deed and without in any way affecting the generality of the foregoing, the Trustee acting on the recommendation of the Manager in writing shall be deemed to have full and absolute powers in relation to the Deposited Property (provided the Trustee shall have acted honestly and reasonably in good faith and with due care and diligence) of:

19.14.4 performing and enforcing agreements, including entering into agreements for Units to be issued Stapled together with another Security or other Securities;

19.14.9 subject to Clauses 10.11.3 and 10.17, lending, raising or borrowing moneys with or without security for the purposes of the Trust and so long as the Trust is part of a Stapled Group, for on-lending moneys to any other entity in the Stapled Group;

19.14.10 so long as the Trust is part of a Stapled Group, lending moneys out of the Deposited Property to any other entity in the Stapled Group pursuant to Clause 10.11 and Clause 10.17;”

(28) to amend Clause 20.1 of the Ascott Reit Trust Deed by adding the underlined text below:

“20.1 Manager’s Activities

The Manager shall carry out all activities as the Manager may deem necessary for the management of the Trust and its business. Without limiting the generality of the foregoing, the Manager shall, in managing the Trust and its business, undertake the following activities:

20.1.14 act in the best interests of the Trust (subject to, in the event that the Trust is part of a Stapled Group, the overriding best interests of the Stapled Group, as permitted under all applicable laws, regulations and guidelines) and provide diligent and responsible management of the assets and liabilities of the Trust;”

20.1.26 prepare, issue and, if necessary, lodge any listing documents and prospectus pursuant to or required by the Securities and Futures Act, the Listing Rules or any requirement of the SGX-ST or any Recognised Stock Exchange or any circular, offer information statement, explanatory memorandum, publicity material, sales literature or other documents in connection with the Trust, the issuance of Units by themselves or Stapled together with another Security or other Securities or determining and publishing the Current Unit Value, any Issue Price or any Repurchase Price; and”

(29) to amend Clause 20.11 of the Ascott Reit Trust Deed by adding the underlined text below:

“20.11 Indemnity Out of Deposited Property

Subject as herein expressly provided and without prejudice to any right of indemnity at law given to the Manager, the Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager (including, without limitation, under this Deed and the Ascott Reit-BT Stapling Deed) to have recourse to the Deposited Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by bad faith, fraud, gross negligence, wilful default or material breach of this Deed by the Manager.”

(30) to amend Clause 21 of the Ascott Reit Trust Deed by adding the underlined text below:

“21.1 Covenants by Manager

In addition to the other covenants of the Manager as set out in this Deed, the Manager hereby covenants as follows:

21.1.1 that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner and will ensure that the Trust is carried on and conducted in a proper and efficient manner (subject to, in the event that the Trust is part of a Stapled Group, the overriding best interests of the holders of Stapled Securities, as permitted under the Relevant Laws, Regulations and Guidelines and all other applicable laws, regulations and guidelines);”

(31) to insert the following new Clause 21.3 of the Ascott Reit Trust Deed:

“21.3 Overriding Provision-Duties in relation to Stapling

Notwithstanding any other provision of this Deed, in exercising any power or discretion conferred on it (including carrying out any of the relevant party’s functions and duties under this Deed and identifying Holders’ rights and interests), the Manager and the Trustee may, subject to the Relevant Laws, Regulations and Guidelines, while Stapling applies, have regard to the interests of the holders of the Stapled Securities as a whole and not to the interests of the Holders alone.”

(32) to amend Clause 25.3 of the Ascott Reit Trust Deed by adding the underlined text below:

“25.3 Manager’s Holding of Units

Upon any removal or retirement, the removed or retiring Manager shall remain entitled to all Units or (as the case may be) Stapled Securities which it holds or is deemed to hold and to be registered in the Register in respect thereof and thereafter to have and exercise all rights of a Holder of such Units or (as the case may be) Stapled Securities.”

(33) to insert the following paragraph at the end of Clause 36.1 of the Ascott Reit Trust Deed:

“So long as the Trust is part of a Stapled Group which is Listed, this Clause 36.1 shall apply, with such modifications and qualifications as may be necessary, as though references to Units were references to Stapled Securities.”

(34) to amend Clause 36.2 of the Ascott Reit Trust Deed by adding the underlined text below:

“36.2 Beneficial Ownership

The Manager or the Trustee may by notice in writing require any Holder or (as the case may be) any Depositor, within such reasonable time as is specified in the notice to inform the Manager:

36.2.1 whether it holds any Units as beneficial owner or as trustee, and if any Unit is held by it as trustee, as far as it can, the person for whom it holds such Unit (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of the interest; and

36.2.2 whether any of the voting rights carried by any Unit held by it is the subject of an agreement or arrangement under which another person is entitled to control the exercise of those rights and if so, to give particulars of the agreement or arrangement and the parties to it.

So long as the Trust is part of a Stapled Group, this Clause 36 shall apply, with such modifications and qualifications as may be necessary, as though references to Units were references to Stapled Securities.”

(35) to insert the following new Clause 36.4 of the Ascott Reit Trust Deed:

“36.4 Application to Holdings in Stapled Securities

So long as the Trust is part of a Stapled Group listed on the SGX-ST or any other Recognised Stock Exchange, this Clause 36 shall apply, with such modifications and qualifications as may be necessary, as though references to Units were references to Stapled Securities.”

(36) to amend paragraph 5 of the Schedule to the Deed by adding the underlined text below:

“5. Subject to paragraph 6 below, at least two days’ notice prior to the Listing Date, and at least 14 days’ notice after the Listing Date (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) or (as the case may be) the listing of the Stapled Group shall be given to the Holders of every meeting in the manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed and may, in general, be given by advertisement in the daily press and in writing to each Recognised Stock Exchange on which the Trust or the Stapled Group is Listed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.”

(37) to amend paragraph 7 of the Schedule to the Deed by adding the underlined text below:

“7. The quorum shall be not less than two Holders present in person or by proxy of one-tenth in value of all the Units or (as the case may be) Stapled Securities for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.”

(38) to amend paragraph 8 of the Schedule of the Ascott Reit Trust Deed by adding the underlined text below:

“8. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units or (as the case may be) Stapled Securities held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.”

(39) to amend paragraph 13 of the Schedule of the Ascott Reit Trust Deed by adding the underlined text below:

“13. On a poll every Holder who is present in person or by proxy shall have one vote for every Unit or (as the case may be) Stapled Securities of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.”

(40) to amend paragraph 19 of the Schedule of the Ascott Reit Trust Deed by adding the underlined text below:

“19. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (as the case may be) Stapled Securities in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.”

(41) to amend paragraph 24 of the Schedule of the Ascott Reit Trust Deed by adding the underlined text below:

“24. After the Listing Date, for the purposes of determining the number of Units held in respect of Units, or (as the case may be) the number of Stapled Securities held in respect of Stapled Securities, registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (as the case may be) Stapled Securities, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.”

(42) to amend paragraph 25 of the Schedule of the Ascott Reit Trust Deed by adding the underlined text below:

“25. Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (as the case may be) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 7 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed or passed by or at a duly convened meeting of Holders by virtue of this paragraph 25.”

Part C: Amendments to facilitate Issue of New Units in Consideration of Acquisitions

To make the following amendments to the Ascott Reit Trust Deed:

- (1) to amend Clause 5.2.8 of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“5.2.8 Where Units are Listed, any issue of Units exceeding any of the above thresholds in Clauses 5.2.7(i) and 5.2.7(ii) will require specific prior approval of Holders by Ordinary ~~Extraordinary~~ Resolution at a meeting to be convened by the Manager in accordance with the Schedule hereto. In addition, any issue of new Units pursuant to Clause 5.2.7 must comply with the following:

- (i) if an issue (together with any other issue of Units in the same Financial Year other than by way of a rights issue offered on a pro rata basis to all existing Holders, including Units issued to the Manager in payment of the Manager’s Base Fee and/or Performance Fee) would, immediately after the issue, exceed such percentage of the Value of the Deposited Property at the end of the preceding Financial Year as may, from time to time, be permitted by the SGX-ST or any other relevant Recognised Stock Exchange, or exceed the number of Units represented by 20 per cent. of the outstanding Units (or such other percentage of outstanding Units as may, from time to time, be permitted by the SGX-ST or any other relevant Recognised Stock Exchange), specific prior approval must have been obtained at a meeting of Holders by Ordinary ~~Extraordinary~~ Resolution to be convened by the Manager in accordance with the Schedule hereto. If relevant in the circumstances, specific prior approval of Holders by Ordinary ~~Extraordinary~~ Resolution must also be obtained to permit the issue of Units to the Manager in payment of the Manager’s Base Fee or Performance Fee if the issue of Units contemplated hereunder exceeds any of the percentage limits stated above;”

- (2) to amend Clause 5.8 of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“5.8 Holders’ Consent Required for Issue of Units Under Certain Circumstances

Where Units are Listed, the Manager shall obtain the consent of the Holders or (as the case may be) the Depositors, by Ordinary ~~Extraordinary~~ Resolution passed at a meeting of Holders or (as the case may be) the Depositors, duly convened and held in accordance with the provisions of the Schedule hereto, before issuing Units under the circumstances set out for an issue of Units other than an issue of Units pursuant to Clause 5.2.6 or Clause 5.2.7.”

- (3) to amend Paragraph 4(i) of the Schedule to the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“(i) A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by Extraordinary Resolution:

- (e) ~~to sanction any issue of Units by the Manager under the circumstances set out for an issue of Units other than by way of an issue of Units pursuant to Clause 5.2.6 or 5.2.7 of this Deed;~~

~~(d)~~(c) to remove the Trustee as provided in Clause 24.3.4 of this Deed; and

~~(e)~~(d) to direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act; and”

(4) to amend Clause 5.2.6(i) of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“(i) the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders shall be set at such discount to the Market Price of Units (if applicable, of the same Class) determined pursuant to Clause 5.2.4, as the Manager sees fit, subject to any limit on such discount as may, from time to time, be permitted by the SGX-ST or any other relevant Recognised Stock Exchange ~~must not be less than 50 per cent. of the Market Price of Units determined pursuant to Clause 5.2.4 (if applicable, of the same Class) on the Business Day preceding the day on which the intention to make the offer or issue is announced.~~ If required and not waived by the SGX-ST or any other Recognised Stock Exchange on which the Trust is Listed, any such rights entitlement must be tradable on the SGX-ST or, as the case may be, such Recognised Stock Exchange. The Trustee must ensure that such a rights issue is made at a price that is in accordance with the terms specified in this Clause 5.2.6(i);”

This page has been intentionally left blank.

APPENDIX F: THE ASCOTT REIT SCHEME

TRUST SCHEME OF ARRANGEMENT

Under Order 80 of the Rules of Court (Cap. 322, R5, 2014 Rev Ed)

In the matter of

ASCOTT RESIDENCE TRUST AND ASCOTT BUSINESS TRUST

Between

DBS TRUSTEE LIMITED (in its capacity as trustee of Ascott Residence Trust)
(Company Registration Number: 197502043G)

And

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(in its capacity as manager of Ascott Residence Trust)
(Company Registration Number: 200516209Z)

And

ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
(in its capacity as intended trustee-manager of Ascott Business Trust)
(Company Registration Number: 201925299R)

And

ASCOTT REIT SCHEME UNITHOLDERS
(as defined herein)

CONTENTS

1. Definitions and Interpretation
2. Preamble
3. Conditions Precedent
4. Ascott Reit Scheme
5. Entitlement to Participate
6. Listing and Quotation of Ascott Reit-BT Stapled Units
7. Effective Date and Lapse
8. General Provisions
9. Proper Law and Jurisdiction
10. Contracts (Rights of Third Parties) Act
11. Schedule 1 – A-HTRUST Scheme Conditions Specific to Ascott Reit Scheme

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Ascott Reit Scheme (as defined below), except where the context or subject matter otherwise indicates or requires, the following words and phrases shall have the meanings set out opposite them:

“A-HTRUST”	:	Ascendas Hospitality Trust, which comprises A-HTRUST REIT and A-HTRUST BT
“A-HTRUST BT”	:	Ascendas Hospitality Business Trust
“A-HTRUST BT Trustee-Manager”	:	Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of the A-HTRUST BT
“A-HTRUST BT Unit”	:	An issued and outstanding unit in A-HTRUST BT
“A-HTRUST Effective Date”	:	The date on which the A-HTRUST Scheme becomes effective in accordance with its terms
“A-HTRUST Managers”	:	The A-HTRUST REIT Manager and the A-HTRUST BT Trustee-Manager
“A-HTRUST REIT”	:	Ascendas Hospitality Real Estate Investment Trust
“A-HTRUST REIT Manager”	:	Ascendas Hospitality Fund Management Pte. Ltd., as manager of A-HTRUST REIT
“A-HTRUST REIT Trustee”	:	Perpetual (Asia) Limited, in its capacity as trustee of A-HTRUST REIT
“A-HTRUST REIT Unit”	:	An issued and outstanding unit in A-HTRUST REIT
“A-HTRUST Scheme”	:	The trust scheme of arrangement by which: (a) all of the A-HTRUST REIT Units, after they have been Unstapled from the A-HTRUST BT Units, will be transferred to the Ascott Reit Trustee; and (b) all of the A-HTRUST BT Units, after they have been Unstapled from the A-HTRUST REIT Units, will be transferred to the Ascott BT Trustee-Manager,

substantially on the terms and conditions set out in the Implementation Agreement and includes any extended, increased or revised proposal by the Ascott Reit Trustee and the Ascott Reit Manager for the acquisition of the A-HTRUST Stapled Units

“A-HTRUST Scheme Conditions”	:	The conditions precedent to the Combination as set out in the Implementation Agreement
“A-HTRUST Scheme Consideration”	:	With respect to each A-HTRUST Scheme Unit: <ul style="list-style-type: none"> (a) the Cash Consideration; and (b) the Consideration Units
“A-HTRUST Scheme Entitlement Date”	:	The date on which the register of A-HTRUST Stapled Unitholders will be closed in order to determine the entitlements of the A-HTRUST Stapled Unitholders in respect of the A-HTRUST Scheme
“A-HTRUST Scheme Implementation Date”	:	The date on which the A-HTRUST Scheme is implemented, being a date falling not later than seven Business Days after the A-HTRUST Effective Date
“A-HTRUST Scheme Unit”	:	An issued and outstanding A-HTRUST Stapled Unit as at the A-HTRUST Scheme Entitlement Date. For the avoidance of doubt, on and with effect from the time at which the A-HTRUST REIT Units and the A-HTRUST BT Units have been Unstapled from the other, references to the “A-HTRUST Scheme Unit” shall mean the A-HTRUST Stapled Units on an Unstapled basis
“A-HTRUST Scheme Unitholder”	:	Each person who is registered on the Register of Stapled Unitholders as at the A-HTRUST Scheme Entitlement Date. For the avoidance of doubt, on and with effect from the time at which the A-HTRUST REIT Units and the A-HTRUST BT Units have been Unstapled from the other, references to the “A-HTRUST Scheme Unitholder” shall mean A-HTRUST Stapled Unitholders of such Unstapled A-HTRUST Stapled Units
“A-HTRUST Stapled Units”	:	(a) Prior to the time at which the A-HTRUST Unstapling is implemented on the A-HTRUST Scheme Implementation Date, the stapled A-HTRUST REIT Units and A-HTRUST BT Units in A-HTRUST; and <ul style="list-style-type: none"> (b) on and with effect from the time at which the A-HTRUST Unstapling is implemented on the A-HTRUST Scheme Implementation Date, the A-HTRUST REIT Units and the A-HTRUST BT Units, each as Unstapled from the other
“A-HTRUST Stapled Unitholders”	:	The holders of the A-HTRUST Stapled Units from time to time

“A-HTRUST Stapling Deed”	:	The Stapling Deed dated 13 March 2012 in relation to A-HTRUST, as may be amended, supplemented or varied from time to time
“A-HTRUST Unstapling”	:	The Unstapling an A-HTRUST REIT Unit and an A-HTRUST BT Unit so that any one may be transferred or otherwise dealt with without the other
“Ascott BT”	:	Ascott Business Trust
“Ascott BT Scheme Unit”	:	An issued and outstanding Ascott BT Unit as at the Ascott Reit Scheme Entitlement Date
“Ascott BT Trust Deed”	:	The trust deed constituting Ascott BT
“Ascott BT Trustee-Manager”	:	Ascott Business Trust Management Pte. Ltd., in its capacity as: <ul style="list-style-type: none"> (a) prior to registration of Ascott BT as a registered business trust under the BTA, trustee of Ascott BT; and (b) on and after registration of Ascott BT as a registered business trust under the BTA, trustee-manager of Ascott BT
“Ascott BT Unit”	:	An issued and outstanding unit in Ascott BT
“Ascott BT Unitholder”	:	The holders of Ascott BT Units from time to time
“Ascott Reit”	:	Ascott Residence Trust
“Ascott Reit Acquisition”	:	The acquisition by the Ascott Reit Trustee of all the A-HTRUST Reit Units, and the acquisition by the Ascott BT Trustee-Manager of all the A-HTRUST BT Units, for the A-HTRUST Scheme Consideration, in accordance with the terms of the Implementation Agreement
“Ascott Reit Composite Document”	:	The composite document dated 26 September 2019 issued by the Ascott Reit Manager
“Ascott Reit EGM”	:	The meeting of the Ascott Reit Unitholders to be convened to approve the Ascott Reit Trust Deed Amendment Resolutions and the Ascott Reit Acquisition (and any adjournment thereof)
“Ascott Reit Group”	:	Ascott Reit and its subsidiaries, and each member of the Ascott Reit Group shall be referred to as an “Ascott Reit Group Entity”

- “Ascott Reit Manager”** : Ascott Residence Trust Management Limited, in its capacity as manager of Ascott Reit
- “Ascott Reit Permitted Distributions”** : (a) The distributions which have been declared, or which the Ascott Reit Manager is under a contractual obligation to make or pay but has not made or paid (in each case, where such declaration or obligation has been Disclosed to the A-HTRUST REIT Trustee and the A-HTRUST Managers), prior to the date hereof; or
- (b) the distributions declared, paid or made or to be declared, paid or made in the ordinary course of business and to the extent consistent with past practice by the Ascott Reit Manager to the Ascott Reit Unitholders in respect of the period from 1 January 2019 up to (and including) the A-HTRUST Scheme Implementation Date (including any clean-up distribution to the Ascott Reit Unitholders in respect of the period from the day following the latest completed financial half year of Ascott Reit preceding the Effective Date, up to (and including) the A-HTRUST Scheme Implementation Date),
- provided that for this purpose, the **“Ascott Reit Permitted Distributions”** shall include any and all distributions declared, paid or made or to be declared, paid or made in respect of any net gains (after taking into consideration applicable taxes and transaction fees, costs and expenses) arising from any divestments by any Ascott Reit Group Entity effected or completed on or after 1 January 2019, up to (and including) the A-HTRUST Scheme Implementation Date
- “Ascott Reit Scheme”** : The trust scheme of arrangement by which:
- (a) all of the Ascott BT Scheme Units will be distributed *in specie* to the Ascott Reit Scheme Unitholders; and
- (b) each Ascott BT Scheme Unit will be stapled to one Ascott Reit Scheme Unit,
- so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed
- “Ascott Reit Scheme Conditions”** : The A-HTRUST Scheme Conditions which are specific to the Ascott Reit Scheme, as set out in **Schedule 1** to this Ascott Reit Scheme

“Ascott Reit Scheme Court Order”	:	The order of the Court sanctioning the Ascott Reit Scheme under Order 80 of the Rules of Court
“Ascott Reit Scheme Entitlement Date”	:	The date on which the register of Ascott Reit Unitholders will be closed in order to determine the entitlements of the Ascott Reit Unitholders in respect of the Ascott Reit Scheme
“Ascott Reit Scheme Implementation Date”	:	The date on which the Ascott Reit Scheme is implemented, being a date falling not later than seven Business Days after the Effective Date
“Ascott Reit Scheme Meeting”	:	The meeting of the Ascott Reit Unitholders to be convened to approve the Ascott Reit Scheme Resolutions (and any adjournment thereof)
“Ascott Reit Scheme Resolutions”	:	The resolutions of the Ascott Reit Unitholders to approve the Ascott Reit Scheme
“Ascott Reit Scheme Unit”	:	An issued and outstanding Ascott Reit Unit as at the Ascott Reit Scheme Entitlement Date
“Ascott Reit Scheme Unitholder”	:	Each person who is registered on the register of Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date
“Ascott Reit Trust Deed”	:	The Deed of Trust constituting Ascott Reit entered into between the Ascott Reit Trustee and the Ascott Reit Manager dated 19 January 2006, as supplemented by a First Supplemental Deed dated 22 March 2007, a Second Supplemental Deed dated 9 September 2009, a Third Supplemental Deed dated 16 September 2010, a Fourth Supplemental Deed dated 16 October 2014, a Fifth Supplemental Deed dated 14 April 2016, a Sixth Supplemental Deed dated 4 May 2018, a Seventh Supplemental Deed dated 28 January 2019 and an Eighth Supplemental Deed dated 18 June 2019, as may be amended, supplemented or varied from time to time
“Ascott Reit Trust Deed Amendment”	:	The proposed amendments to the Ascott Reit Trust Deed to facilitate the implementation of the Ascott Reit Scheme
“Ascott Reit Trust Deed Amendment Resolutions”	:	The extraordinary resolutions of the Ascott Reit Unitholders to approve the Ascott Reit Trust Deed Amendments
“Ascott Reit Trustee”	:	DBS Trustee Limited, in its capacity as trustee of Ascott Reit
“Ascott Reit Unit”	:	An issued and outstanding unit in Ascott Reit

“Ascott Reit Unitholders”	:	The holders of Ascott Reit Units from time to time
“Ascott Reit-BT Managers”	:	The Ascott Reit Manager and the Ascott BT Trustee-Manager
“Ascott Reit-BT Stapled Unit”	:	A Stapled Ascott Reit Unit and Ascott BT Unit
“Ascott Reit-BT Stapling Deed”	:	The stapling deed in relation to Ascott Reit and Ascott BT
“Business Day”	:	A day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore for the transaction of normal banking business
“Business Trusts Act”	:	The Business Trusts Act, Chapter 31A, of Singapore
“Cash Consideration”	:	With respect to each A-HTRUST Scheme Unit, S\$0.0543 in cash
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“Combination”	:	The combination of Ascott Reit and A-HTRUST pursuant to the Implementation Agreement, the Ascott Reit Scheme, the Ascott Reit Acquisition and the A-HTRUST Scheme
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Consideration Units”	:	With respect to each A-HTRUST Stapled Unit, 0.7942 Ascott Reit-BT Stapled Units
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Disclosed”	:	Any matter fairly disclosed with sufficient detail to enable the Ascott Reit Trustee and the Ascott Reit Manager or the A-HTRUST REIT Trustee and the A-HTRUST Managers (as the case may be) to identify the matter in question
“Effective Date”	:	Has the meaning given in Clause 7.1

“Encumbrances”	:	<p>With respect to any asset or real property:</p> <p>(a) any charge, claim, hypothecation, lien, mortgage, power of sale, retention of title, or security interest of any kind over and in respect of such asset or real property; and</p> <p>(b) any right of pre-emption, first offer, first refusal, tag-along or drag-along of any kind to which any such asset or real property is subject or any right or option for the sale or purchase of any such asset or real property,</p> <p>and any other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing</p>
“Governmental Authority”	:	<p>Any supranational, national, federal, state, municipal or local court, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity, or other governmental, semi-governmental or quasi-governmental entity or authority, or any securities exchange, wherever located</p>
“Implementation Agreement”	:	<p>The implementation agreement dated 3 July 2019 entered into between the Ascott Reit Trustee, the Ascott Reit Manager, the A-HTRUST REIT Trustee and the A-HTRUST Managers setting out the terms and conditions on which the Combination will be implemented, as amended and restated on 9 September 2019 to reflect certain amendments and restatements agreed by the Implementation Agreement Parties, and as may be amended from time to time</p>
“Implementation Agreement Parties”	:	<p>The parties to the Implementation Agreement, being the Ascott Reit Trustee, the Ascott Reit Manager, the A-HTRUST REIT Trustee and the A-HTRUST Managers</p>
“Instructions Letter”	:	<p>The written letter of instructions from the Ascott Reit Trustee and the Ascott Reit Manager to the CDP instructing the CDP to credit all the Ascott BT Scheme Units to the Securities Accounts of the Ascott Reit Scheme Unitholders pursuant to this Ascott Reit Scheme</p>

“Instrument of Transfer”	:	The written instrument of transfer to be entered into between Ascott Reit Trustee, as transferor, and the CDP, as transferee, to effect the transfer of all the Ascott BT Scheme Units, which form shall be in common form (or such other form as the Ascott BT Trustee-Manager may from time to time approve)
“Latest Practicable Date”	:	12 September 2019, being the latest practicable date prior to the printing of the Ascott Reit Composite Document
“Laws”	:	Any statute, act, code, law (including common law and equity), regulation, rule, ordinance, order, decree, ruling, determination, judgment or decision of any Governmental Authority (including, for the avoidance of doubt, the Listing Manual)
“Listing Manual”	:	The listing manual of the SGX-ST
“MAS”	:	Monetary Authority of Singapore
“Parties”	:	The Ascott Reit Trustee, the Ascott Reit Manager, the Ascott BT Trustee-Manager and the Ascott Reit Scheme Unitholders, and “Party” means any one of them
“Person”	:	Any individual, company, corporation, general partnership, limited partnership, trust or other entity, organisation or unincorporated association, wherever constituted or located and whether or not having separate legal personality, including any Governmental Authority
“Relevant Date”	:	The date falling on the Business Day immediately preceding the Effective Date
“Rules of Court”	:	Rules of Court, Chapter 322, R 5 of Singapore
“Securities Account”	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Stapled”	:	The linking together of an Ascott Reit Scheme Unit and an Ascott BT Scheme Unit so that any one may not be transferred or otherwise dealt with without the other

- “Unstapled”** : Has the meaning given in the A-HTRUST Stapling Deed, and **“Unstaple”** and **“Unstapling”** shall be construed accordingly
- “S\$”** or **“SGD”** and cents : Singapore dollars and cents respectively, being the lawful currency of Singapore

1.2 Interpretation

In this Ascott Reit Scheme, headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:

- (a) a reference to any document (including this Ascott Reit Scheme) is to that document as amended, varied, novated, ratified or replaced from time to time, and includes all recitals, schedules and appendices to such document (including this Ascott Reit Scheme), which shall form an integral part of such document (including this Ascott Reit Scheme);
- (b) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all subsidiary legislation, ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (c) references to parties, clauses, schedules or appendices are references to clauses, schedules and appendices to or of this Ascott Reit Scheme, and a reference to this Ascott Reit Scheme includes any schedule and appendix to this Ascott Reit Scheme;
- (d) words importing the singular include the plural (and vice versa), words indicating a gender include every other gender, references to natural persons shall include bodies corporate (and vice versa) and references to any Party or Person shall include its successor entity or estate;
- (e) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (f) references to a Party using its **“reasonable endeavours”** or similar obligations shall be construed to require a Party to act in accordance with the standards of a reasonable and prudent Person in its position acting properly in that Person’s interests and doing what is commercially practicable and incurring such expenditure as is commercially reasonable in such circumstances and, for the avoidance of doubt, shall not be construed to require a Party to do or cause to be done anything outside of its control or legal power;
- (g) the word **“including”** shall be deemed to be followed by **“without limitation”** or **“but not limited to”**, whether or not they are followed by such phrases or words of like import;
- (h) the word **“otherwise”** shall not be construed as limited by the words with which it is associated;
- (i) a reference to **“S\$”** or **“Singapore dollar”** is to the lawful currency for the time being of Singapore;
- (j) the words **“holding company”**, **“subsidiary”** and **“related corporation”** shall have the respective meanings ascribed to them in the Companies Act;

- (k) the terms “**Depositor**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA;
- (l) the terms “**acting in concert**” or “**concert parties**” shall have the respective meanings ascribed to them in the Code;
- (m) a reference to a time of day is a reference to Singapore time; and
- (n) except where otherwise expressly provided, where under this Ascott Reit Scheme the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately succeeding Business Day.

1.3 **Certain Terms**

For the avoidance of doubt, unless the context otherwise requires, references to:

- (a) the “**A-HTRUST REIT Trustee**” are to the A-HTRUST REIT Trustee in its capacity as trustee of A-HTRUST REIT;
- (b) the “**A-HTRUST REIT Manager**” are to the A-HTRUST REIT Manager in its capacity as manager of A-HTRUST REIT;
- (c) the “**A-HTRUST BT Trustee-Manager**” are to the A-HTRUST BT-Trustee Manager in its capacity as trustee-manager of A-HTRUST BT;
- (d) the “**Ascott Reit Trustee**” are to the Ascott Reit Trustee in its capacity as trustee of Ascott Reit;
- (e) the “**Ascott Reit Manager**” are to the Ascott Reit Manager in its capacity as manager of Ascott Reit; and
- (f) the “**Ascott BT Trustee-Manager**” are to the Ascott BT Trustee-Manager in its capacity as trustee or trustee-manager (as the case may be) of Ascott BT.

2. **PREAMBLE**

2.1 **ASCOTT REIT**

- (a) Ascott Reit is a real estate investment trust constituted in the Republic of Singapore on 19 January 2006 under the Ascott Reit Trust Deed. The trustee of Ascott Reit is the Ascott Reit Trustee and Ascott Reit is managed by the Ascott Reit Manager.
- (b) Ascott Reit was listed and quoted on the Mainboard of the SGX-ST on 31 March 2006.
- (c) As at the Latest Practicable Date, there are 2,176,818,019 issued and outstanding Ascott Reit Units, which units are held by the Ascott Reit Unitholders.

2.2 ASCOTT BT

- (a) Ascott BT is a business trust constituted in the Republic of Singapore on 9 September 2019 under the Ascott BT Trust Deed. Ascott BT is not a registered business trust under the BTA, but Ascott BT will, as at the Ascott Reit Scheme Implementation Date, be a registered business trust under the BTA. Accordingly, the Ascott BT Trustee-Manager is:
- (i) prior to registration of Ascott BT as a registered business trust under the BTA, the trustee of Ascott BT; and
 - (ii) on and after registration of Ascott BT as a registered business trust under the BTA, the trustee-manager of Ascott BT.

Ascott BT was constituted for the purposes of this Ascott Reit Scheme and the Combination.

- (b) (i) Ascott BT is not listed or quoted on the SGX-ST or any securities exchange.
- (ii) On the Business Day immediately following the Ascott Reit Scheme Implementation Date (or such other date as may be agreed by the Implementation Agreement Parties in writing), the Ascott BT Units and the Ascott Reit-BT Stapled Units will be listed and quoted on the SGX-ST, provided that in the case of the Ascott BT Units, such listing and quotation shall be on the basis that each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit, as more particularly described in **Clause 4.3**.
- (c) There is one issued and outstanding Ascott BT Unit, which unit is held by the Ascott Reit Trustee.
- (d) Prior to the Ascott Reit Scheme Entitlement Date, the Ascott BT Trustee-Manager shall:
- (i) effect a sub-division of the one Ascott BT Unit, such that the number of sub-divided Ascott BT Units will be equivalent to the number of Ascott Reit Scheme Units as at the Ascott Reit Scheme Entitlement Date; and
 - (ii) procure that the register of Ascott BT Unitholders be altered accordingly to reflect the new number of sub-divided Ascott BT Units held by the Ascott Reit Trustee as a result of such sub-division,

in each case, in accordance with the terms of the Ascott BT Trust Deed.

2.3 Combination and Ascott Reit Scheme

- (a) On 3 July 2019, the Ascott Reit Trustee, the Ascott Reit Manager, the A-HTRUST REIT Trustee and the A-HTRUST Managers entered into the Implementation Agreement to effect and implement the Combination on the terms and subject to the conditions set out in the Implementation Agreement, including to implement this Ascott Reit Scheme to give effect to the Combination and on 9 September 2019, the Implementation Agreement was amended and restated to reflect certain amendments and restatements agreed by the Implementation Agreement Parties.
- (b) On 9 September 2019, the approval-in-principle from the SGX-ST for the listing and quotation of the Ascott BT Units and the Ascott Reit-BT Stapled Units were obtained.

- (c) The approval by the Ascott Reit Unitholders:
- (i) to amend the Ascott Reit Trust Deed to facilitate the implementation of the Ascott Reit Scheme and as may be required or customary for the stapling of the Ascott Reit Units and the Ascott BT Units at the Ascott Reit EGM; and
 - (ii) for the Ascott Reit Scheme,
- will be sought at the Ascott Reit EGM and the Ascott Reit Scheme Meeting, respectively.

3. CONDITIONS PRECEDENT

3.1 Conditions Precedent

This Ascott Reit Scheme is conditional upon each A-HTRUST Scheme Condition, including the Ascott Reit Scheme Conditions, being satisfied or, where applicable, waived in accordance with the terms of the Implementation Agreement.

3.2 Effect of Conditions Precedent

The satisfaction or waiver of each A-HTRUST Scheme Condition on or prior to the Relevant Date is a condition precedent to the operation of the provisions of **Clause 4**.

4. ASCOTT REIT SCHEME

4.1 Lodgement of Ascott Reit Scheme Court Order

The Ascott Reit Manager shall lodge the Ascott Reit Scheme Court Order with the MAS or notify the MAS of the grant of the Ascott Reit Scheme Court Order, as the case may be, in accordance with the terms of the Implementation Agreement, including terms that such lodgement or notification shall be effected by the Ascott Reit Manager within 10 Business Days from the date that the last of the Ascott Reit Scheme Conditions is satisfied or waived, as the case may be, in accordance with the Implementation Agreement.

4.2 Steps to Implement Ascott Reit Scheme

The Parties shall, on the Ascott Reit Scheme Implementation Date, take the following steps as may be applicable to it:

- (a) the Ascott Reit Trustee shall execute, and the Ascott Reit Manager shall instruct the CDP to execute, the Instrument of Transfer to effect the transfer of all the Ascott BT Scheme Units from the Ascott Reit Trustee to the CDP;
- (b) the Ascott Reit Trustee shall procure that the Instrument of Transfer is duly stamped and delivered to the Ascott BT Trustee-Manager for registration in accordance with the Ascott BT Trust Deed;
- (c) the Ascott BT Trustee-Manager shall procure that the register of Ascott BT Unitholders be altered accordingly to reflect the CDP as the holder of all the Ascott BT Scheme Units transferred from the Ascott Reit Trustee to the CDP; and

- (d) the Ascott Reit Manager shall deliver the Instructions Letter to the CDP, together with a statement of accounts of all the Ascott BT Scheme Units attached to such Instructions Letter, instructing the CDP to credit all the Ascott BT Scheme Units to the Securities Accounts of the Ascott Reit Scheme Unitholders pursuant to this Ascott Reit Scheme.

4.3 **Ascott Reit Scheme**

Following the completion of the steps set out in **Clause 4.2**, on the Ascott Reit Scheme Implementation Date, the Ascott Reit Trustee and the Ascott Reit Manager shall take the following steps in the following order:

- (a) distribute or cause to be distributed *in specie* all the Ascott BT Scheme Units to the Ascott Reit Scheme Unitholders:
 - (i) fully paid;
 - (ii) free from Encumbrances;
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the date of such distribution and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the Ascott Reit Manager on or after such date of distribution (except for the Ascott Reit Permitted Distributions); and
 - (iv) on the basis of one Ascott BT Scheme Unit for every Ascott Reit Scheme Unit held by such Ascott Reit Scheme Unitholders; and
- (b) Staple or cause to be Stapled each Ascott BT Scheme Unit to one Ascott Reit Scheme Unit,

so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed.

5. **ENTITLEMENT TO PARTICIPATE**

5.1 **Entitlement to Participate**

Each Ascott Reit Scheme Unitholder shall be entitled to participate in the Ascott Reit Scheme.

5.2 **Recognised Ascott Reit Scheme Unitholder**

For the purposes of determining who is an Ascott Reit Scheme Unitholder, dealings in Ascott Reit Units on or before the Ascott Reit Scheme Entitlement Date shall be recognised, provided that:

- (a) in the case of dealings of the type to be effected electronically through the CDP, the transferee is registered as a holder of the Ascott Reit Units in the Depository Register on the Ascott Reit Scheme Entitlement Date; and

- (b) in all other cases, an instrument of transfer in writing in common form (or in such other form as the Ascott Reit Trustee and the Ascott Reit Manager may from time to time approve) in respect of such dealings, signed by the transferor and the transferee and duly stamped (if required by law), has been delivered to the Ascott Reit Manager for registration in accordance with the Ascott Reit Trust Deed no later than the Ascott Reit Scheme Entitlement Date.

6. LISTING AND QUOTATION OF ASCOTT REIT-BT STAPLED UNITS

Pursuant to the approval-in-principle from the SGX-ST for the listing and quotation of the Ascott BT Units and the Ascott Reit-BT Stapled Units, the Ascott BT Units and the Ascott Reit-BT Stapled Units shall, on the Business Day immediately following the Ascott Reit Scheme Implementation Date (or such other date as may be agreed between the Implementation Agreement Parties in writing) be listed and quoted on the SGX-ST, provided that in the case of the Ascott BT Units, such listing and quotation shall be on the basis that each Ascott BT Unit will be stapled to one Ascott Reit Unit so as to form one Ascott Reit-BT Stapled Unit, as more particularly described in **Clause 4.3**.

7. EFFECTIVE DATE AND LAPSE

7.1 Effective Date

The Ascott Reit Scheme shall become effective upon the lodgement of the Ascott Reit Scheme Court Order with the MAS or the notification to the MAS of the grant of the Ascott Reit Scheme Order, as the case may be, which shall be effected by the Ascott Reit Manager:

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

(“**Effective Date**”).

7.2 Ascott Reit Scheme and A-HTRUST Scheme

The Ascott Reit Scheme and the A-HTRUST Scheme shall take effect on one and the same date, provided that the Ascott Reit Scheme shall take effect prior to the A-HTRUST Scheme.

7.3 Lapse

In the event that the A-HTRUST Scheme does not become effective in accordance with its terms or lapses or is terminated in accordance with the Implementation Agreement, the Ascott Reit Scheme shall lapse. In such event, the expenses and costs incurred by the Ascott Reit Trustee and the Ascott Reit Manager in connection with the Ascott Reit Scheme shall be paid out of the assets of Ascott Reit.

7.4 Modifications

The Implementation Agreement Parties may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Ascott Reit Scheme or to any condition which the Court may think fit to approve or impose.

8. GENERAL PROVISIONS

8.1 Ascott Reit Manager and Ascott Reit Trustee to Act on Behalf of Ascott Reit Unitholders

Each Ascott Reit Unitholder, without the need for any further act, appoints each of the Ascott Reit Trustee and the Ascott Reit Manager and empowers each of the Ascott Reit Trustee and the Ascott Reit Manager to appoint any of their directors, officers, employees or representatives severally as its attorney and agent for the purposes of doing all things and executing all deeds, instruments, transfers or other documents as the Ascott Reit Trustee and/or the Ascott Reit Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of this Ascott Reit Scheme, the Implementation Agreement and the transactions contemplated by them and any other matters reasonably incidental thereto, including:

- (a) consenting to the entry of the name and address of each Ascott Reit Scheme Unitholder in the register of Ascott BT Unitholders on the Effective Date in respect of the Ascott BT Scheme Units; and
- (b) agreeing on behalf of each Ascott Reit Scheme Unitholder to be bound by the Ascott BT Trust Deed.

8.2 Further Assurances

- (a) The Ascott Reit Trustee, the Ascott Reit Manager and each Ascott Reit Unitholder shall do all things and execute all deeds, instruments, transfers or other documents as the Ascott Reit Trustee and/or the Ascott Reit Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of this Ascott Reit Scheme, the Implementation Agreement and the transactions contemplated by them and any other matters reasonably incidental thereto.
- (b) Without limiting the other powers of the Ascott Reit Trustee and the Ascott Reit Manager under the Ascott Reit Trust Deed, each of the Ascott Reit Trustee and the Ascott Reit Manager shall have the power to do all things which it considers necessary or desirable to execute, implement and/or to give effect to this Ascott Reit Scheme, the Implementation Agreement and the transactions contemplated by them and any other matters reasonably incidental thereto.
- (c) Subject to applicable Laws, each of the Ascott Reit Trustee and the Ascott Reit Manager and any of their directors, officers, employees or representatives may do any act, matter or thing described in or contemplated by this Ascott Reit Scheme even if they have an interest (financial or otherwise) in, or in the outcome of, such act, matter or thing.

8.3 Ascott Reit Scheme Binding

If the Ascott Reit Scheme has become effective in accordance with its terms, the Ascott Reit Scheme shall, on and with effect from the Effective Date, be binding on the Ascott Reit Trustee, the Ascott Reit-BT Managers and all the Ascott Reit Unitholders and Ascott BT Unitholders from time to time, including (in the case of the Ascott Reit Unitholders) those who do not attend the Ascott Reit Scheme Meeting, those who do not vote at the Ascott Reit Scheme Meeting and those who vote against the Ascott Reit Scheme Resolutions at the Ascott Reit Scheme Meeting.

8.4 Ascott BT Trust Deed and Ascott Reit-BT Stapling Deed

If the Ascott Reit Scheme has become effective in accordance with its terms, the Ascott BT Trust Deed and the Ascott Reit-BT Stapling Deed shall, on and with effect from the Effective Date, be binding on:

- (a) in the case of the Ascott BT Trust Deed, the Ascott BT Trustee-Manager and all the Ascott BT Unitholders from time to time; and
- (b) in the case of the Ascott Reit-BT Stapling Deed, the Ascott Reit Trustee, the Ascott Reit-BT Managers and all the Ascott Reit Unitholders and Ascott BT Unitholders from time to time,

including (in the case of the Ascott Reit Unitholders) those who do not attend the Ascott Reit Scheme Meeting, those who do not vote at the Ascott Reit Scheme Meeting and those who vote against the Ascott Reit Scheme Resolutions at the Ascott Reit Scheme Meeting.

8.5 No Liability when Acting in Good Faith

Neither the Ascott Reit Trustee nor the Ascott Reit Manager, nor any of their respective directors, officers, employees or representatives, shall be liable for anything done or omitted to be done in the performance of this Ascott Reit Scheme in good faith.

9. PROPER LAW AND JURISDICTION

This Ascott Reit Scheme shall be governed by, and construed in accordance with, by the laws of the Republic of Singapore. The Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Republic of Singapore.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

A person who is not a party to this Ascott Reit Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Ascott Reit Scheme.

Dated this 26 day of September 2019

Schedule 1
A-HTRUST Scheme Conditions Specific to Ascott Reit Scheme

Ascott Reit Unitholders' Approvals

The following approvals from the Ascott Reit Unitholders having been obtained, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

- (a) the approval by the Ascott Reit Unitholders to amend the Ascott Reit Trust Deed to facilitate the implementation of the Ascott Reit Scheme and as may be required or customary for the stapling of the Ascott Reit Units and the Ascott BT Units at the Ascott Reit EGM; and
- (b) subject to **paragraph 1(a)** having been approved, the approval by the Ascott Reit Unitholders for the Ascott Reit Scheme at the Ascott Reit Scheme Meeting.

Regulatory Approvals

The following regulatory approvals having been obtained, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

- (a) the grant of the Ascott Reit Scheme Court Order by the Court; and
- (b) the approval-in-principle from the SGX-ST for the listing and quotation of the Ascott Reit-BT Stapled Units.

This page has been intentionally left blank.

APPENDIX G: MANNER OF CONVENING THE ASCOTT REIT SCHEME MEETING

The manner of convening the Ascott Reit Scheme Meeting as ordered by the Court under the Ascott Reit Scheme Meeting Court Order is set out below:

1. The Ascott Reit Manager and the Ascott Reit Trustee shall be at liberty to convene the Ascott Reit Scheme Meeting at a date, time and venue in Singapore to be determined by the Ascott Reit Manager and the Ascott Reit Trustee⁽¹⁾.
2. The notice convening the Ascott Reit Scheme Meeting (the “**Notice**”), together with a copy of the Ascott Reit Scheme will be included in the Composite Document and be provided to the Ascott Reit Unitholders at least twenty-four (24) days (not inclusive of the day on which the Notice is served and of the day of the Ascott Reit Scheme Meeting) before the date of the Ascott Reit Scheme Meeting in the following manner:
 - (a) in the case of Ascott Reit Unitholders whose Ascott Reit Units are not deposited with The Central Depository (Pte) Limited (“**CDP**”), by ordinary post to or left at the Ascott Reit Unitholder’s address as appearing in the Register of Unitholders or in the case of joint Ascott Reit Unitholders, to the joint Ascott Reit Unitholders whose name stands first in the Register; and
 - (b) in the case of Ascott Reit Unitholders whose Ascott Reit Units are deposited with CDP (being a “Depositor” as defined in Section 81SF of the SFA), by ordinary post to or left at the Ascott Reit Unitholder’s address as appearing in the Depository (as defined in Section 81SF of the SFA), or in the case of joint Depositors, to the joint Depositor whose name stands first in the record of the Depository Register (as defined in Section 81SF of the SFA),save that, where there are potential restrictions on sending the Notice and/or the Composite Document to any overseas jurisdiction, the Ascott Reit Manager and the Ascott Reit Trustee need not send the Composite Document to the Ascott Reit Unitholders in such overseas jurisdiction.
3. The Notice be advertised in the “The Straits Times”, stating the place at which and the manner in which the Composite Document may be obtained, at least twenty-one (21) days (not inclusive of the day on which the Notice is published and of the day of the Ascott Reit Scheme Meeting) before the date of the Ascott Reit Scheme Meeting.
4. Further and/or in addition to **paragraphs 2 and 3** of this **Appendix G** to the Composite Document above, an electronic copy of the Composite Document shall be made available at the website of the SGX-ST at least twenty-one (21) days (not inclusive of the day on which the electronic copy of the Composite Document is made available and of the day of the Ascott Reit Scheme Meeting) before the date of the Ascott Reit Scheme Meeting. An Ascott Reit Unitholder in an overseas jurisdiction may also write in to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 to request for the Composite Document to be sent to an address in Singapore by ordinary post up to three (3) Market Days (where “**Market Day**” refers to a day on which the SGX-ST is open for the trading of securities) prior to the date of the Ascott Reit Scheme Meeting at such Ascott Reit Unitholder’s own risk.

Note:

- (1) Such date of the Ascott Reit Scheme Meeting to be within three months of the Ascott Reit Scheme Meeting Court Order granted on 16 September 2019.

5. Any accidental omission to give any Ascott Reit Unitholder notice of the Ascott Reit Scheme Meeting or the non-receipt of such notice by any Ascott Reit Unitholder shall not invalidate the proceedings at the Ascott Reit Scheme Meeting, unless ordered by the Court.
6. Subject to any restrictions under law or set by any relevant regulatory authority, each Ascott Reit Unitholder is entitled to attend and vote at the Ascott Reit Scheme Meeting either in person or by proxy in the manner set out below, unless the Court orders otherwise:
 - (a) shall be entitled to appoint only one proxy to attend and vote at the Ascott Reit Scheme Meeting; and
 - (b) may only cast all the votes he/she uses at the Ascott Reit Scheme Meeting in one way, namely, either for or against the resolution proposed at the Ascott Reit Scheme Meeting.
7. Proxy forms must be completed, signed and deposited with the Unit Registrar at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for the Ascott Reit Scheme Meeting. If an Ascott Reit Unitholder fails to lodge a proxy form as stipulated, the proxy of such Ascott Reit Unitholder shall not be entitled to vote at the Ascott Reit Scheme Meeting.
8. Mr Tan Beng Hai, Bob, Chairman and Non-Executive Independent Director of the Ascott Reit Manager, or failing him, any other director of the Ascott Reit Manager, be appointed to act as the chairman of the Ascott Reit Scheme Meeting (the "**Chairman**").
9. Subject to **paragraph 1** of this **Appendix G** to the Composite Document above, the Chairman shall be at liberty to adjourn the Ascott Reit Scheme Meeting for such period as he shall deem appropriate.
10. The Chairman, or failing him, any other director of the Ascott Reit Manager present at the Ascott Reit Scheme Meeting shall report the results of the Ascott Reit Scheme Meeting to the Court.
11. Save where expressly provided herein, the provisions of the Ascott Reit Trust Deed in relation to the meetings of Ascott Reit Unitholders may be applied in respect of the Ascott Reit Scheme Meeting as appropriate in the discretion of the Chairman of the Ascott Reit Scheme Meeting.

APPENDIX H: ASCOTT REIT AUDITORS OPINION



Ascendas Hospitality Trust

Statement of Investment Properties and
Freehold Land and Buildings
As at 31 March 2019

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Board of Directors
Ascott Residence Trust

Opinion

We have audited the statement of investment properties and freehold land and buildings of Ascendas Hospitality Trust (the "A-HTrust" or the "Stapled Group"), which comprises Ascendas Hospitality Real Estate Investment Trust ("A-HREIT") and its subsidiaries and Ascendas Hospitality Business Trust ("A-HBT") and its subsidiaries, as at 31 March 2019 and notes to the statement, including a summary of significant accounting policies (together, the "Statement").

In our opinion, the accompanying Statement of the Stapled Group as at 31 March 2019 is prepared, in all material respects, in accordance with the basis of accounting specified in Note 2 of the Statement.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the Statement' section of our report. We are independent of the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Statement in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2 of the Statement, which describes the basis of accounting. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters as stated in Note 1 to the Statement and for no other purpose. Our report has been prepared for inclusion in the composite document dated 26 September 2019 of the Ascott Residence Trust ("Ascott REIT") in relation to the proposed combination of Ascott REIT and A-HTrust by way of a trust scheme of arrangement, and is not intended for any other purpose. We do not assume responsibility to anyone other than Ascott Residence Trust and the unitholders for our work, for our report, or for the conclusions we have reached in our report. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Statement as at 31 March 2019. These matters were addressed in the context of our audit of the Statement, and in forming our opinion thereon. We have determined the matter described below to be the key audit matter to be communicated in our report.



Valuation of investment properties and freehold land and buildings

(Refer to Note 4 – Investment properties and Note 5 – Freehold land and buildings)

Risk:

The Stapled Group has a portfolio of investment properties and freehold land and buildings which are stated at their fair values as at 31 March 2019 of \$1,212.7 million and \$555.7 million respectively.

The fair values of the investment properties and freehold land and buildings are appraised by independent external valuers. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, particularly those relating to discount rates and terminal capitalisation rates.

Our response:

We assessed the Stapled Group's process relating to the selection of the external valuers, the determination of the scope of work of the external valuers, and the review and acceptance of the valuation reports issued by the external valuers.

We evaluated the qualification and competence of the external valuers. We also read the terms of engagement of the valuers with the Stapled Group to ascertain whether there are matters that might have affected their objectivity or limit the scope of their work.

We considered the valuation methodologies adopted against those applied by other valuers for similar property types. We assessed the integrity of inputs of the projected cash flows used in the valuation to supporting occupancy rates, average daily room rates and other documents.

We evaluated the discount rates and terminal capitalisation rates used in the valuation by comparing them against available industry data, taking into consideration comparability and market factors. Where applicable, we evaluated the reasonableness of concluded valuations for these properties by comparing them against recent transacted prices of comparable properties on a value-per-room basis.

Our findings:

The Stapled Group has a structured process in appointing and instructing valuers, and in reviewing and accepting their valuations. The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work. The valuation methodologies used by the external valuers were in line with generally accepted market practices. The key assumptions used in the valuations, including the projected cash flows, discount rates and terminal capitalisation rates were supported by the evidence available and are within the range of industry and market data. For applicable properties, the value-per-room from concluded valuations are within the range of recent transacted prices of comparable properties.



Responsibilities of the Managers for the Statement

Ascendas Hospitality Fund Management Pte. Ltd, as manager of A-HREIT (“REIT Manager”) and Ascendas Hospitality Trust Management Pte. Ltd. as the trustee-manager of A-HBT (“Trustee-Manager”, and together with REIT Manager, the “Managers”) are responsible for the preparation of the Statement in accordance with the basis of accounting described in Note 2 of the Statement, for determining the acceptability of the basis of accounting, and for such internal controls as the Managers determine is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

The Managers are responsible for overseeing the the Stapled Group’s financial reporting process.

Auditors’ responsibilities for the audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stapled Group’s internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managers.



We communicate with the Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Managers with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Managers, we determine those matters that were of most significance in the audit of the Statement of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tan Kar Yee, Linda.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 September 2019

**Statement of Investment Properties and Freehold Land and Buildings of
Ascendas Hospitality Trust
As at 31 March 2019**

	Note	As at 31 March 2019 S'000
Investment properties	4	1,212,681
Freehold land and buildings	5	<u>555,698</u>
		<u>1,768,379</u>

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Statement of Investment Properties and Freehold Land and Buildings (the “Statement”) of Ascendas Hospitality Trust

1 Purpose of the Statement

1.1 Purpose of the Statement

The Statement is prepared for the purpose of giving additional comfort to unitholders of Ascott Residence Trust (“Ascott REIT”) that the carrying values of investment properties and freehold land and buildings of Ascendas Hospitality Trust (the “A-HTrust” or the “Stapled Group”), which comprise Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) and its subsidiaries (the “A-HREIT Group”) and Ascendas Hospitality Business Trust (“A-HBT”) and its subsidiaries (the “A-HBT Group”), as at 31 March 2019 were stated, in all material respects, in accordance with the significant accounting policies of the the Stapled Group (set out in Note 3) and that, accordingly, such properties held by the Stapled Group were stated at fair values. The Statement is prepared by Ascendas Hospitality Fund Management Pte. Ltd, as manager of A-HREIT (“REIT Manager”) and Ascendas Hospitality Trust Management Pte. Ltd. as the trustee-manager of A-HBT (“Trustee-Manager”, and together with REIT Manager, the “Managers”).

2 Basis of accounting

2.1 Statement of compliance

The Statement is prepared in accordance with the basis of preparation specified in Note 2.2.

2.2 Basis of preparation

The Statement, which was extracted from the books and records of the Stapled Group, has been prepared based on the significant accounting policies set out in Note 3.

2.3 Functional and presentation currency

The Statement presented in Singapore dollars (“\$”), which is A-HTrust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the Statement requires the Managers to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts. Actual results may differ from these estimates.

3 Significant Accounting Policies

3.1 Investment properties

Investment properties are properties either owned by the Stapled Group to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are measured at cost on initial recognition, including transaction costs and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

3.2 Freehold land and buildings

(i) Measurement

All items of freehold land and buildings are initially recorded at cost. The cost includes the cost of replacing part of the freehold land and buildings and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying freehold land and buildings.

The cost of an item of freehold land and buildings is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Stapled Group and the cost of the item can be measured reliably.

Subsequent to recognition, buildings are measured at fair value less accumulated depreciation and any accumulated impairment losses.

Fair values of freehold land and buildings are determined at each balance sheet date in accordance with the A-HBT Trust Deed. Any increase in valuation on revaluation shall be credited to equity under the heading of asset revaluation reserve through other comprehensive income. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

(ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Freehold land is subsequently measured at fair value.

Depreciation is computed on a straight-line basis over the estimated useful lives as follow:

- Buildings 26 to 31 years

(iii) Subsequent expenditure

Subsequent expenditure relating to freehold land and buildings that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Stapled Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

An item of freehold land and buildings is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Upon de-recognition of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

4 Investment properties

	A-HTRUST \$'000	A-HREIT Group \$'000	A-HBT Group \$'000
At 31 March 2019	1,212,681	779,699	432,982

Valuation of investment properties

Investment properties are valued at balance sheet date by independent professional valuers, JLL Morii Valuation & Advisory K.K., CBRE Korea Co., Ltd. and CBRE Pte. Ltd., having appropriate recognised professional qualification and experience in the location and category of properties being valued. Details of valuation methodologies and inputs used are disclosed in Note 6(c).

5 Freehold land and buildings

A-HTRUST and A-HBT Group	Freehold land \$'000	Buildings \$'000	Total \$'000
At 31 March 2019	195,867	359,831	555,698

Valuation of freehold land and buildings

The Stapled Group engaged an independent valuer, Cushman & Wakefield (Valuations) Pty Ltd to determine the fair value of the freehold land and buildings. The valuers have the appropriate professional qualifications and recent experiences in the locations and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 6(c).

6 Fair value of assets

(a) Fair value hierarchy

The Stapled Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities that the Stapled Group can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting year:

Stapled Group 31 March 2019	Fair value measurements at the end of the reporting year using significant unobservable inputs (Level 3) \$'000
Investment properties	1,212,681
Freehold land	195,867
Buildings	359,831
Total freehold land and buildings	555,698

(c) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Ascendas Hospitality Trust
Statement of Investment Properties and Freehold Land and Buildings
As at 31 March 2019

Stapled Group 31 March 2019 Description	Fair value \$'000	Valuation methodologies	Unobservable inputs	Range
Investment properties				
Hotels	1,212,681	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	3.80% to 6.50% 4.10% to 4.75% 77% to 97% \$76 to \$257
		Capitalisation approach	Capitalisation rate	4.00% to 4.50%
Freehold land and buildings				
Freehold land	195,867	Discounted cash flow	Discount rate Terminal yield	7.75% to 9.25% 6.00% to 7.25%
		Capitalisation approach	Capitalisation rate	6.00% to 7.25%
Buildings	359,831	Discounted cash flow	Discount rate Terminal yield Occupancy rate RevPAR	7.75% to 9.25% 6.00% to 7.25% 80% to 95% \$108 to \$255
		Capitalisation approach	Capitalisation rate	6.00% to 7.25%

The fair value varies inversely against the discount rate, terminal yield and capitalisation rate and increases with higher occupancy rates and revenue per available room (RevPAR).

This page has been intentionally left blank.

APPENDIX I: PROPOSED UNIT ISSUE PRICE AMENDMENT

To make the following amendments to the Ascott Reit Trust Deed:

- (1) to amend Clause 5.2.4 of the Ascott Reit Trust Deed by deleting the struck-through text and adding the underlined text below:

“5.2.4 Subject to Clauses 5.2.6, 5.2.7 and 5.2.8 and for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Unit for all trades on the SGX-ST or any other Recognised Stock Exchange, in the ordinary course of trading, for the period of 10 ~~five (5)~~ Business Days immediately preceding:

(a) in the case of Clause 15.1.1 or 15.1.2, (and for the avoidance of doubt, including) the last day of the period in which the relevant Management Fee accrues;

(b) in the case of Clause 15.2.1(i) or 15.2.1(ii), the date of completion of the relevant acquisition or divestment (as the case may be);

(c) in all other cases, the relevant Business Day,

and, in each case of (a), (b) or (c) above if applicable, in accordance with the Listing Rules or for such other period of Business Days as may be permitted by any other relevant Recognised Stock Exchange; or

- (ii) if the Manager believes that the calculation in Clause 5.2.4(i) does not provide a fair reflection of the Market Price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of the Unit.”

This page has been intentionally left blank.

APPENDIX J: FINANCIAL RESULTS OF ASCOTT REIT



A Member of CapitalLand

ASCOTT RESIDENCE TRUST 2019 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT TABLE OF CONTENTS

Item No.	Description	Page No.
	Summary of Group Results	1
	Introduction	2
1(a)(i)	Consolidated Statement of Total Return and Reconciliation Statement	3 – 4
1(a)(ii)	Explanatory Notes to Consolidated Statement of Total Return	4 – 6
1(b)(i)	Statement of Financial Position	7
1(b)(ii)	Explanatory Notes to Statement of Financial Position	8 – 9
1(c)	Consolidated Statement of Cash Flows	10 – 11
1(d)(i)	Statement of Movements in Unitholders' Funds	12 – 13
1(d)(ii)	Details of Any Change in the Units	14
2 & 3	Audit Statement	14
4 & 5	Changes in Accounting Policies	14 – 15
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	15
7	Net Asset Value ("NAV") Per Unit / Net Tangible Assets ("NTA") Per Unit	16
8	Group Performance Review	16 – 22
9	Variance from Forecast	22
10	Outlook and Prospects	22
11 & 12	Distributions	23
13	General mandate for Interested Person Transactions	23
14	Confirmation pursuant to Rule 720(1) of the Listing Manual	24
15	Confirmation pursuant to Rule 705(5) of the Listing Manual	24

**ASCOTT RESIDENCE TRUST
2019 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT**

Summary of Group Results

	2Q 2019 S\$'000	2Q 2018 S\$'000	Better / (Worse) %	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000	Better / (Worse) %
Revenue	132,494	130,499	2	248,409	243,283	2
Gross Profit	67,655	63,138	7	122,270	111,805	9
Gross Profit (excluding FRS 116 impact) ⁽¹⁾	62,537	63,138	(1)	112,039	111,805	–
Unitholders' Distribution ^{(2), (3)}	43,144	39,779	8	74,623	68,943	8
Distribution Per Unit ("DPU") (cents)	1.98	1.84	8	3.43	3.19	8
For information only DPU (cents) (adjusted for one-off items ^{(2), (3)})	1.84	1.84	–	3.17	3.12	2

⁽¹⁾ FRS 116 *Leases* is effective from 1 January 2019. The adoption of this standard changes the nature of expense for the Group's portfolio of operating leases and replaced the straight-line operating lease expense to change in fair value for right-of-use assets and interest expense on lease liabilities. Please see paragraph 5 for more details.

⁽²⁾ Unitholders' distribution for 2Q 2019 included a realised exchange gain of S\$3.1 million arising from the repayment of foreign currency bank loans with the divestment proceeds from Ascott Raffles Place Singapore.

⁽³⁾ Unitholders' distribution for YTD Jun 2019 included a realised exchange gain of S\$5.7 million arising from the repayment of foreign currency bank loans with the divestment proceeds from Ascott Raffles Place Singapore.

Unitholders' distribution for YTD Jun 2018 included a realised exchange gain of S\$1.6 million arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds.

DISTRIBUTION AND BOOK CLOSURE DATE

Distribution	For 1 January 2019 to 30 June 2019
Distribution Rate	3.431 cents per Unit
Book Closure Date	7 August 2019
Payment Date	29 August 2019

ASCOTT RESIDENCE TRUST 2019 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

INTRODUCTION

Ascott Residence Trust (“Ascott Reit”) was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the “Manager”) and DBS Trustee Limited (as trustee of Ascott Reit) (the “Trustee”).

Ascott Reit’s objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences, rental housing properties and other hospitality assets. It has a portfolio of serviced residences and rental housing properties across Asia Pacific, Europe and United States of America. Ascott Reit’s investment policy covers any country in the world.

Ascott Reit was directly held by The Ascott Limited up to and including 30 March 2006. On 31 March 2006, Ascott Reit was listed on the Singapore Exchange Securities Trading Limited with an initial portfolio of 12 properties with 2,068 apartment units in seven cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

In 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe. In 2012, Ascott Reit acquired four properties in Kyoto, Singapore, Guangzhou and Germany. Ascott Reit also completed the divestment of Somerset Grand Cairnhill Singapore. In 2013, Ascott Reit acquired three properties in China and a portfolio of 11 rental housing properties in Japan. In 2014, Ascott Reit acquired nine properties in four countries (Australia, China, Japan and Malaysia).

In 2015, Ascott Reit acquired a property in Melbourne, Australia, a portfolio of four rental housing properties in Osaka, Japan, the remaining 40% interest in Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto and its first property in New York, the United States of America (“US”). On 29 April 2016, Ascott Reit completed the acquisition of Sheraton Tribeca New York Hotel. In 2017, Ascott Reit acquired two properties in Germany, a property in Singapore and its third property in US and divested a portfolio of 18 rental housing properties in Japan.

In January 2018, Ascott Reit completed the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi’an. Ascott Reit announced its maiden development project at Nepal Hill, Singapore to build the first coliving property, lyf one-north Singapore, in September 2018. The project will be completed by 2020. On 4 January 2019, Ascott Reit took possession of the site for the development of lyf one-north Singapore.

On 9 January 2019, Ascott Reit entered into a sale and purchase agreement to divest Ascott Raffles Place Singapore for an aggregate sale consideration of S\$353.3 million. The sale price is 64.3% above the book value of the property and the divestment was completed on 9 May 2019.

Ascott Reit announced the acquisition of Felix Hotel, its first limited-service business hotel in Australia, on 27 March 2019. The property was rebranded as Citadines Connect Sydney Airport upon completion of the acquisition on 1 May 2019.

As at 30 June 2019, Ascott Reit’s portfolio comprises 73 operating properties¹ with 11,434 apartment units in 37 cities across 14 countries.

Ascott Reit makes distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar. Since its listing, Ascott Reit has paid 100% of its distributable income.

¹ Exclude lyf one-north Singapore (under development).

1(a)(i) **Consolidated Statement of Total Return**

	Note	GROUP			GROUP		
		2Q 2019 S\$'000	2Q 2018 S\$'000	Better / (Worse) %	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000	Better / (Worse) %
Revenue	A.1	132,494	130,499	2	248,409	243,283	2
Direct expenses	A.2	(64,839)	(67,361)	4	(126,139)	(131,478)	4
Gross Profit	A.1	67,655	63,138	7	122,270	111,805	9
Finance income	A.3	388	233	67	739	601	23
Other operating income	A.4	139	266	(48)	303	395	(23)
Finance costs	A.3	(13,008)	(11,652)	(12)	(26,379)	(23,248)	(13)
Manager's management fees		(6,039)	(6,108)	1	(11,440)	(11,459)	–
Trustee's fee		(145)	(122)	(19)	(292)	(252)	(16)
Professional fees	A.5	(521)	(663)	21	(1,122)	(1,316)	15
Audit fees	A.6	(595)	(666)	11	(1,082)	(1,369)	21
Foreign exchange gain / (loss)	A.7	3,145	(6,490)	n.m.	3,342	(3,290)	n.m.
Other operating expenses	A.8	(579)	(866)	33	(1,108)	(1,464)	24
Share of results of associate (net of tax)		(2)	(14)	86	(24)	(41)	41
Net income before changes in fair value of financial derivatives, investment properties and assets held for sale		50,438	37,056	36	85,207	70,362	21
Net change in fair value of financial derivatives	A.9	600	396	52	604	282	114
Net change in fair value of investment properties and assets held for sale	A.10	9,006	26,696	(66)	144,030	26,696	440
Loss upon divestment		–	–	n.m.	–	(488)	n.m.
Assets written off		–	(13)	n.m.	–	(13)	n.m.
Total return for the period before tax		60,044	64,135	(6)	229,841	96,839	137
Income tax expense	A.11	(12,663)	(14,080)	10	(16,916)	(17,231)	2
Total return for the period after tax		47,381	50,055	(5)	212,925	79,608	167
Attributable to:							
Unitholders and perpetual securities holders		48,580	46,526		212,545	74,657	
Non-controlling interests		(1,199)	3,529		380	4,951	
Total return for the period		47,381	50,055	(5)	212,925	79,608	167

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
		2Q 2019 S\$'000	2Q 2018 S\$'000		YTD Jun 2019 %	YTD Jun 2018 S\$'000	
Total return for the period attributable to Unitholders and perpetual securities holders		48,580	46,526		212,545	74,657	
Net effect of non-tax deductible / chargeable items and other adjustments	A.12	(649)	(1,960)		(128,401)	3,807	
Total amount distributable for the period		47,931	44,566	8	84,144	78,464	7
Amount distributable:							
- Unitholders		43,144	39,779		74,623	68,943	
- Perpetual securities holders		4,787	4,787		9,521	9,521	
		47,931	44,566	8	84,144	78,464	7
Comprises:							
- from operations ¹		10,738	11,977		8,338	128,346	
- from unitholders' contributions		32,406	27,802		66,285	(59,403)	
		43,144	39,779	8	74,623	68,943	8

¹ Unitholders' distribution from operations was higher in YTD Jun 2018 due to dividend income recognised at the Trust arising from the profit from divestment of the two China properties.

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue for 2Q 2019 of S\$132.5 million comprised S\$18.5 million (14% of total revenue) from properties on Master Leases, S\$21.7 million (16%) from properties on management contracts with minimum guaranteed income and S\$92.3 million (70%) from properties on management contracts.

Revenue for 2Q 2019 increased by S\$2.0 million or 2% as compared to 2Q 2018. This was mainly attributed to the additional revenue of S\$0.8 million from the acquisition of Citadines Connect Sydney Airport in May 2019 and higher revenue of S\$2.3 million from the existing properties in Philippines, United Kingdom and Japan, partially offset by the decrease in revenue of S\$1.1 million from the divestment of Ascott Raffles Place Singapore.

The Group achieved a revenue per available unit ("REVPAU") of S\$158 for 2Q 2019, an increase of 2% as compared to 2Q 2018.

Gross profit for 2Q 2019 of S\$67.6 million comprised S\$16.6 million (25% of total gross profit) from properties on Master Leases, S\$9.8 million (14%) from properties on management contracts with minimum guaranteed income and S\$41.2 million (61%) from properties on management contracts.

As compared to 2Q 2018, gross profit increased by S\$4.5 million or 7% due to higher revenue and the adoption of FRS 116 *Leases* with effect from 1 January 2019. Please refer to paragraph 5 for more details on the impact arising from the adoption of this accounting standard.

On a same store basis and excluding the FRS 116 adjustments, gross profit increased by S\$0.2 million.

Please refer to Para 8(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	2Q 2019 S\$'000	2Q 2018 S\$'000		YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000	
Depreciation and amortisation ¹	(3,059)	(3,043)	(1)	(6,075)	(6,313)	4
Staff costs	(14,708)	(14,748)	–	(28,665)	(28,968)	1

¹ Depreciation and amortisation were lower in YTD Jun 2019 mainly due to fully depreciated assets.

A.3 Finance income / Finance costs

Finance income was higher in 2Q 2019 due to fixed deposit placements with the divestment proceeds from Ascott Raffles Place Singapore, prior to the repayment of bank loans.

Finance costs were higher in 2Q 2019 due to the interest expense of S\$2.8 million recognised on the lease liability arising from the adoption of FRS 116.

Excluding the FRS 116 adjustments, finance costs were lower by S\$1.4 million in 2Q 2019 due to refinancing of medium-term notes at lower interest rates and repayment of bank loans with the divestment proceeds from Ascott Raffles Place Singapore.

A.4 Other operating income

Other operating income was higher in 2Q 2018 due to forfeiture of security deposits.

A.5 Professional fees

Professional fees were higher in 2Q 2018 due to expenses incurred in connection with the refund of withholding tax on prior periods' dividends declared by the France subsidiaries.

A.6 Audit fees

Audit fees were lower in 2Q 2019 due to weaker exchange rates.

A.7 Foreign exchange gain / (loss)

The foreign exchange gain recognised in 2Q 2019 mainly relates to realised exchange gain arising from the repayment of foreign currency bank loans with the divestment proceeds from Ascott Raffles Place Singapore.

The foreign exchange loss recognised in 2Q 2018 mainly comprised unrealised exchange loss of S\$7.0 million (mainly arising from EUR denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of EUR against SGD as at balance sheet date) and realised exchange gain of S\$0.5 million (mainly arising from gain on repayment of shareholders' loan from Europe and gain on the foreign currency forward contracts).

A.8 Other operating expenses

Other operating expenses were lower in 2Q 2019 mainly due to lower non-refundable GST.

A.9 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts (entered into to hedge distribution income).

A.10 Net change in fair value of investment properties and assets held for sale

This relates to the surplus on revaluation of investment properties. The surplus resulted mainly from higher valuation of the Group's properties in Australia, Belgium, Germany and Japan, partially offset by lower valuation from the properties in China, Philippines, Spain and Vietnam.

A.11 Income tax expense

Taxation for 2Q 2019 was lower by S\$1.4 million as compared to the corresponding period last year. This was mainly due to lower deferred tax liability provided on the fair value surplus recognised.

A.12 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following:

	GROUP			GROUP		
	2Q 2019 S\$'000	2Q 2018 S\$'000	Better / (Worse) %	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000	Better / (Worse) %
Depreciation and amortisation	3,059	3,043	(1)	6,075	6,313	4
Manager's management fee payable / paid partially in units	4,383	4,446	(1)	8,392	8,410	–
Trustee's fees ¹	16	23	30	46	48	4
Unrealised foreign exchange loss	142	6,988	98	2,158	5,376	60
Net change in fair value of financial derivatives (Note A.9)	(600)	(396)	52	(604)	(282)	114
Net change in fair value of investment properties and assets held for sale (Note A.10)	(9,006)	(26,696)	(66)	(144,030)	(26,696)	440
Loss upon divestment	–	–	n.m.	–	488	n.m.
Operating lease expense recognised on a straight-line basis	–	775	n.m.	–	1,551	n.m.
Interest expense on lease liabilities ²	2,801	–	n.m.	5,611	–	n.m.
Lease payments for right-of-use assets ²	(4,400)	–	n.m.	(8,808)	–	n.m.
Assets written off	–	13	n.m.	–	13	n.m.
Deferred tax expense	5,962	7,767	23	5,916	6,730	12
Effect of non-controlling interests arising from the above	(2,862)	2,013	242	(2,946)	1,883	256

¹ This relates to the Singapore properties only and is not tax deductible.

² Due to adoption of FRS 116 *Leases*. Please refer to paragraph 5 for more details.

1(b)(i) **Statement of Financial Position**

	Note	GROUP		TRUST	
		30/06/19 S\$'000	31/12/18 S\$'000	30/06/19 S\$'000	31/12/18 S\$'000
Non-Current Assets					
Investment properties	B.1	5,055,882	4,679,295	740,158	739,193
Other non-current assets	B.2	–	65,535	–	65,535
Investment property under development	B.2	67,135	–	67,135	–
Plant and equipment		48,441	48,564	9,842	10,807
Subsidiaries		–	–	276,546	276,546
Associate		3,010	3,040	3,056	3,062
Financial derivatives	B.3	2,446	8,294	999	1,879
Deferred tax assets		4,088	4,309	–	–
		5,181,002	4,809,037	1,097,736	1,097,022
Current Assets					
Inventories		333	328	–	–
Assets held for sale	B.4	–	215,000	–	215,000
Trade and other receivables	B.5	61,355	56,919	2,345,475	2,299,467
Financial derivatives	B.3	665	–	665	–
Cash and cash equivalents	B.6	251,095	227,847	44,734	40,112
		313,448	500,094	2,390,874	2,554,579
Total Assets					
		5,494,450	5,309,131	3,488,610	3,651,601
Non-Current Liabilities					
Interest bearing liabilities	B.9	(1,588,994)	(1,835,316)	(189,300)	(424,430)
Financial derivatives	B.3	(11,686)	(6,850)	(9,583)	(5,269)
Trade and other payables		(839)	–	–	–
Deferred tax liabilities		(119,046)	(117,865)	–	–
Lease liabilities	B.8	(279,578)	–	–	–
		(2,000,143)	(1,960,031)	(198,883)	(429,699)
Current Liabilities					
Interest bearing liabilities	B.9	(80,994)	(70,137)	–	–
Financial derivatives	B.3	(63)	(280)	(61)	(191)
Trade and other payables	B.7	(143,120)	(141,252)	(959,760)	(927,844)
Lease liabilities	B.8	(17,867)	–	–	–
Provision for taxation		(9,245)	(6,522)	–	–
		(251,289)	(218,191)	(959,821)	(928,035)
Total Liabilities					
		(2,251,432)	(2,178,222)	(1,158,704)	(1,357,734)
Net Assets					
		3,243,018	3,130,909	2,329,906	2,293,867
Represented by:					
Unitholders' funds		2,756,633	2,644,051	1,932,832	1,896,740
Perpetual securities holders	B.10	397,074	397,127	397,074	397,127
Non-controlling interests		89,311	89,731	–	–
Total Equity	1(d)(i)	3,243,018	3,130,909	2,329,906	2,293,867

1(b)(ii) **Explanatory Notes to Statement of Financial Position**

B.1 Investment properties

The increase in the Group's investment properties as at 30 June 2019 was mainly due to the recognition of the existing operating lease arrangements as right-of-use assets of S\$297.4 million upon the adoption of FRS 116 *Leases* with effect from 1 January 2019, acquisition of Citadines Connect Sydney Airport, the increase in valuation on 30 June 2019 and foreign currency translation differences of S\$2.5 million arising from translating the Group's investment properties as a result of the appreciation of JPY against SGD, partially offset by the depreciation of EUR and AUD against SGD.

B.2 Investment property under development / other non-current assets

Investment property under development as at 30 June 2019 relates to the reclassification of the costs previously paid for lyf one-north Singapore from "other non-current assets" as at 31 December 2018 upon the possession of the land in January 2019, the additional capital expenditure and interest capitalised in 2019.

Other non-current assets as at 31 December 2018 comprised of the cost of acquisition of 60-year leasehold land for the lyf one-north site, capitalised costs relating to the site and interest incurred on acquisition of the leasehold land.

B.3 Financial derivatives

The financial derivatives relate to the fair value of interest rate swaps (entered into to hedge interest rate risk), fair value of cross currency swaps (entered into to hedge foreign currency risk) and fair value of foreign currency forward contracts (entered into to hedge distribution income).

B.4 Assets held for sale

The assets held for sale as at 31 December 2018 relate to Ascott Raffles Place Singapore.

The decrease in assets held for sale as at 30 June 2019 was due to the completion of the sale of Ascott Raffles Place Singapore on 9 May 2019.

B.5 Trade and other receivables

The increase in the trade and other receivables as at 30 June 2019 was mainly due to higher trade receivables as a result of higher business activities, and prepaid expense.

B.6 Cash and cash equivalents

The increase in the Group's cash and cash equivalents as at 30 June 2019 was mainly due to the receipt of the output tax on the divestment proceeds of Ascott Raffles Place Singapore, which will be paid to the Inland Revenue Authority of Singapore in August 2019.

B.7 Trade and other payables

The increase in the trade and other payables as at 30 June 2019 was mainly due to the output tax on the divestment proceeds of Ascott Raffles Place Singapore payable in 3Q 2019.

The increase in the trade and other payables was partially offset by the reversal of the S\$5.0 million deposit previously received for Ascott Raffles Place Singapore as at 31 December 2018 upon completion of the divestment in May 2019, and the reversal of the operating lease expense previously accrued on a straight-line basis upon the initial recognition of FRS 116 *Leases* with effect from 1 January 2019.

B.8 Lease liabilities

The lease liabilities as at 30 June 2019 refer to the liabilities arising from the adoption of FRS 116 *Leases* with effect from 1 January 2019.

B.9 Interest bearing liabilities

	GROUP		TRUST	
	30/06/19 S\$'000	31/12/18 S\$'000	30/06/19 S\$'000	31/12/18 S\$'000
Amount repayable in one year or less or on demand				
- Secured	80,652	69,760	-	-
- Unsecured	498	494	-	-
Less: Unamortised transaction costs	(156)	(117)	-	-
	80,994	70,137	-	-
Amount repayable after one year				
- Secured	687,720	849,503	69,619	216,083
- Unsecured	910,313	995,208	122,660	210,795
Less: Unamortised transaction costs	(9,039)	(9,395)	(2,979)	(2,448)
	1,588,994	1,835,316	189,300	424,430
Total	1,669,988	1,905,453	189,300	424,430

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' investment properties and the assignment of the rights, titles and interests with respect to these properties
- Assignment of rental proceeds from the investment properties and insurance policies relating to these properties
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Trust

Capital management

As at 30 June 2019, the Group's gearing was 32.8%, well below the 45 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. In this regard, the lease liabilities recognised by virtue of FRS 116 were excluded as these operating leases were entered into in the ordinary course of business and were in effect before 1 January 2019. The average cost of debts was 2.1 percent per annum, with an interest cover of 5.2 times. S\$1,479.0 million or 88% of the Group's borrowings are on fixed interest rates, of which S\$20.0 million is due in the next 12 months.

Out of the Group's total borrowings, 1 percent falls due in 2019, 16 percent falls due in 2020, 16 percent falls due in 2021, 25 percent falls due in 2022 and the balance falls due after 2022.

The Manager adopts a proactive capital management strategy and will commence discussions to refinance the loan facilities due in 2020, ahead of their maturity dates.

B.10 Perpetual securities

On 27 October 2014, the Trust issued S\$150.0 million of fixed rate perpetual securities with an initial distribution rate of 5.00% per annum, with the first distribution rate reset falling on 27 October 2019 and subsequent resets occurring every five years thereafter.

On 30 June 2015, the Trust issued S\$250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum, with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter.

Distributions are payable semi-annually in arrears at the discretion of the Trust and will be non-cumulative. The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the perpetual securities.

1(c) **Consolidated Statement of Cash Flows**

	GROUP		GROUP	
	2Q 2019 S\$'000	2Q 2018 S\$'000	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000
Operating Activities				
Total return for the period before tax	60,044	64,135	229,841	96,839
<u>Adjustments for:</u>				
Depreciation and amortisation	3,059	3,043	6,075	6,313
(Gain) / loss on disposal of plant and equipment	(3)	8	(13)	(22)
Assets written off	–	13	–	13
Operating lease expense recognised on a straight-line basis	–	775	–	1,551
Finance costs	13,008	11,652	26,379	23,248
Finance income	(388)	(233)	(739)	(601)
Provision for doubtful debts addition / (reversal)	20	(2)	52	(16)
Manager's management fees payable / paid partially in units	4,383	4,446	8,392	8,410
Unrealised foreign exchange loss	142	6,988	2,158	5,376
Net change in fair value of investment properties and assets held for sale	(9,006)	(26,696)	(144,030)	(26,696)
Net change in fair value of financial derivatives	(600)	(396)	(604)	(282)
Loss upon divestment	–	–	–	488
Share of results of associate	2	14	24	41
Operating profit before working capital changes	70,661	63,747	127,535	114,662
Changes in working capital	7,132	(15,677)	4,391	(25,664)
Cash generated from operations	77,793	48,070	131,926	88,998
Income tax paid	(4,940)	(3,752)	(9,383)	(7,921)
Cash flows from operating activities	72,853	44,318	122,543	81,077
Investing Activities				
Acquisition of plant and equipment	(2,772)	(3,527)	(5,495)	(7,626)
Acquisition of investment properties	(52,235)	–	(58,106)	–
Capital expenditure on investment properties and assets held for sale	(5,736)	(1,205)	(6,181)	(1,332)
Capital expenditure on investment property under development	(536)	–	(2,089)	–
Deposit received for divestment of investment properties	–	–	203	–
Proceeds on disposal of assets held for sale	300,333	–	348,333	90,175
Payment of transaction costs for disposal of assets held for sale	(2,750)	–	(2,750)	–
Interest received	388	233	739	601
Proceeds from sale of plant and equipment	4	14	15	44
Cash flows from / (used in) investing activities	236,696	(4,485)	274,669	81,862
Balance carried forward	309,549	39,833	397,212	162,939

1(c) Consolidated Statement of Cash Flows

	GROUP		GROUP	
	2Q 2019 S\$'000	2Q 2018 S\$'000	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000
Balance brought forward	309,549	39,833	397,212	162,939
Financing Activities				
Distribution to Unitholders	–	–	(85,848)	(80,183)
Distribution to perpetual securities holders	(9,574)	(9,574)	(9,574)	(9,574)
Dividend paid to non-controlling interests	(703)	(1,806)	(703)	(1,806)
Interest paid ¹	(11,439)	(10,204)	(23,647)	(19,626)
Payment of lease liabilities ¹	(1,816)	(829)	(3,932)	(1,681)
Proceeds from bank borrowings	291,383	64,843	458,483	151,474
Repayment of bank borrowings	(525,619)	(75,155)	(707,861)	(262,843)
Change in restricted cash deposits for bank facilities	6	(115)	(106)	(131)
Payment of transaction costs on bank borrowings	(1,446)	(290)	(1,574)	(290)
Cash flows used in financing activities	(259,208)	(33,130)	(374,762)	(224,660)
Increase / (decrease) in cash and cash equivalents	50,341	6,703	22,450	(61,721)
Cash and cash equivalents at beginning of the period	197,300	188,819	225,516	255,253
Effect of exchange rate changes on balances held in foreign currencies	1,017	(991)	692	999
Cash and cash equivalents at end of the period	248,658	194,531	248,658	194,531
Restricted cash deposits	2,437	2,223	2,437	2,223
Cash and cash equivalents in the Statement of Financial Position	251,095	196,754	251,095	196,754

¹ Increase due to adoption of FRS 116 *Leases*. Please refer to Note A.12 for the interest expense on lease liabilities and paragraph 5 for more details on the impact arising from the adoption of this accounting standard. In 2Q 2018, the payment of operating lease expense was captured under the “Changes in working capital”.

1(d)(i) **Statement of Movements in Unitholders' Funds**

	Note	GROUP		GROUP	
		2Q 2019 S\$'000	2Q 2018 S\$'000	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000
Unitholders' Contribution					
Balance as at beginning of period		1,726,169	1,731,170	1,744,738	1,771,310
New units issued / to be issued					
- Manager's management fees paid in units		4,382	4,473	8,352	8,459
Distribution to Unitholders		-	-	(22,539)	(44,126)
Balance as at end of period		1,730,551	1,735,643	1,730,551	1,735,643
Operations					
Balance as at beginning of period		1,210,246	1,070,456	1,104,734	1,083,116
Adjustment on initial recognition of FRS 116		-	-	9,802	-
Adjusted balance as at beginning of period		1,210,246	1,070,456	1,114,536	1,083,116
Total return for the period attributable to Unitholders and perpetual securities holders		48,580	46,526	212,545	74,657
Total return attributable to perpetual securities holders		(4,787)	(4,787)	(9,521)	(9,521)
Transfer between reserves		(139)	-	(351)	-
Distribution to Unitholders		-	-	(63,309)	(36,057)
Balance as at end of period		1,253,900	1,112,195	1,253,900	1,112,195
Foreign Currency Translation Reserve					
Balance as at beginning of period		(216,003)	(167,297)	(212,000)	(170,205)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(11,262)	(24,409)	(15,265)	(22,221)
Change in ownership interests in subsidiaries with a change in control		-	-	-	720
Balance as at end of period		(227,265)	(191,706)	(227,265)	(191,706)
Capital Reserve					
Balance as at beginning of period		3,788	2,148	3,576	2,148
Transfer between reserves		139	-	351	-
Balance as at end of period		3,927	2,148	3,927	2,148
Hedging Reserve					
Balance as at beginning of period		918	4,037	3,003	(1,240)
Effective portion of change in fair values of cash flow hedges		(4,955)	3,732	(6,675)	8,367
Net change in fair value of cash flow hedges reclassified to Statement of Total Return		(443)	243	(808)	885
Balance as at end of period		(4,480)	8,012	(4,480)	8,012
Unitholders' Funds	1(b)(i)	2,756,633	2,666,292	2,756,633	2,666,292
Perpetual Securities					
Balance as at beginning of period		401,861	401,861	397,127	397,127
Total return attributable to perpetual securities holders		4,787	4,787	9,521	9,521
Distribution to perpetual securities holders		(9,574)	(9,574)	(9,574)	(9,574)
Balance as at end of period	1(b)(i)	397,074	397,074	397,074	397,074

1(d)(i) Statement of Movements in Unitholders' Funds

	Note	GROUP		GROUP	
		2Q 2019 S\$'000	2Q 2018 S\$'000	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000
<u>Non-controlling Interests</u>					
Balance as at beginning of period		89,967	88,436	89,731	89,427
Total return for the period		(1,199)	3,529	380	4,951
Dividend paid to non-controlling interests		(703)	(1,806)	(703)	(1,806)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		1,246	1,232	(97)	(1,181)
Balance as at end of period	1(b)(i)	89,311	91,391	89,311	91,391
Equity	1(b)(i)	3,243,018	3,154,757	3,243,018	3,154,757

1(d)(i) Statement of Movements in Unitholders' Funds

	Note	TRUST		TRUST	
		2Q 2019 S\$'000	2Q 2018 S\$'000	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period		1,726,169	1,731,170	1,744,738	1,771,310
New units issued / to be issued					
- Manager's management fees paid in units		4,382	4,473	8,352	8,459
Distribution to Unitholders		-	-	(22,539)	(44,126)
Balance as at end of period		1,730,551	1,735,643	1,730,551	1,735,643
<u>Operations</u>					
Balance as at beginning of period		214,087	228,786	153,534	166,072
Total return for the period attributable to Unitholders and perpetual securities holders		(3,958)	8,750	124,638	112,255
Total return attributable to perpetual securities holders		(4,787)	(4,787)	(9,521)	(9,521)
Distribution to Unitholders		-	-	(63,309)	(36,057)
Balance as at end of period		205,342	232,749	205,342	232,749
<u>Hedging Reserve</u>					
Balance as at beginning of period		(2,000)	(2,569)	(1,532)	(3,275)
Effective portion of change in fair values of cash flow hedges		(1,180)	(81)	(1,896)	150
Net change in fair value of cash flow hedges reclassified to Statement of Total Return		119	431	367	906
Balance as at end of period		(3,061)	(2,219)	(3,061)	(2,219)
Unitholders' Funds	1(b)(i)	1,932,832	1,966,173	1,932,832	1,966,173
<u>Perpetual Securities</u>					
Balance as at beginning of period		401,861	401,861	397,127	397,127
Total return attributable to perpetual securities holders		4,787	4,787	9,521	9,521
Distribution to perpetual securities holders		(9,574)	(9,574)	(9,574)	(9,574)
Balance as at end of period	1(b)(i)	397,074	397,074	397,074	397,074
Equity	1(b)(i)	2,329,906	2,363,247	2,329,906	2,363,247

1(d)(ii) **Details of any change in the units**

	TRUST		TRUST	
	2Q 2019 '000	2Q 2018 '000	YTD Jun 2019 '000	YTD Jun 2018 '000
Balance as at beginning of period	2,172,559	2,157,206	2,164,592	2,149,688
Issue of new units:				
- partial payment of Manager's management fees in units	2,218	2,347	10,185	9,865
Balance as at end of period	2,174,777	2,159,553	2,174,777	2,159,553

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Please refer to the attached review report.

4. **Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

5. **If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2019. FRS 116 *Leases* has a more significant impact on the Group as described below.

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has adopted FRS 116 using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 will be recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019, with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition.

The Group has recognised the existing operating lease arrangements at 31 December 2018 as ROU assets with corresponding lease liabilities under FRS 116. ROU assets which meet the definition of investment properties under the principles of FRS 40 *Investment Property* are included as part of investment properties.

The nature of expenses related to these expenses has changed as FRS 116 replaced the straight-line operating lease expense (previously recognised in "direct expenses") with change in fair value for ROU assets and interest expense on lease liabilities.

No significant impact is expected for other leases in which the Group is a lessor.

The impact on the Group's financial statements arising from the adoption of FRS 116 is as follows:

	GROUP
Statement of Financial Position as at 1 Jan 2019	
Increase in investment properties	301,083
Increase in lease liabilities	(301,083)
Decrease in trade and other payables	9,802
Increase in net assets	9,802
Increase in Unitholders' Funds	9,802

6. Earnings per Unit ("EPU") and distribution per Unit ("DPU") for the financial period

In computing the EPU, the weighted average number of Units for the period is used for the computation.

	GROUP		GROUP	
	2Q 2019 S\$'000	2Q 2018 S\$'000	YTD Jun 2019 S\$'000	YTD Jun 2018 S\$'000
Total return for the period attributable to Unitholders and perpetual securities holders	48,580	46,526	212,545	74,657
Less: Total return attributable to perpetual securities holders	(4,787)	(4,787)	(9,521)	(9,521)
Total return for the period attributable to Unitholders	43,793	41,739	203,024	65,136

	2Q 2019	2Q 2018	YTD Jun 2019	YTD Jun 2018
Earnings per Unit (EPU)				
Weighted average number of units for the period ('000)				
– Basic	2,173,924	2,158,934	2,171,440	2,156,538
– Diluted	2,179,205	2,164,928	2,179,205	2,164,928
EPU (cents) (based on the weighted average number of units for the period)				
– Basic	2.01	1.93	9.35	3.02
– Basic ⁽¹⁾	1.76	1.33	2.88	2.41
– Diluted	2.01	1.93	9.32	3.01

⁽¹⁾ Exclude the effects of the net change in fair value of investment properties, net of tax and non-controlling interests.

In computing the DPU, the number of Units as at the end of each period is used for the computation.

	2Q 2019	2Q 2018	YTD Jun 2019	YTD Jun 2018
Distribution per Unit (DPU)				
Number of units on issue at end of period ('000)	2,174,777	2,159,553	2,174,777	2,159,553
DPU (cents)	1.98	1.84	3.43	3.19

7. **Net asset value (“NAV”) Per Unit / Net Tangible Assets (“NTA”) Per Unit**

	GROUP		TRUST	
	30/06/19	31/12/18	30/06/19	31/12/18
NAV / NTA per Unit ⁽¹⁾ (S\$)	1.27	1.22	0.89	0.88
Adjusted NAV / NTA per Unit (excluding the distributable income to Unitholders) (S\$)	1.23	1.18	0.85	0.84

⁽¹⁾ NAV / NTA per Unit is computed based on net asset value / net tangible asset over the issued Units at the end of the period.

8. **Group Performance Review**

8(a) **Revenue and Gross Profit Analysis – 2Q 2019 vs. 2Q 2018 (Local Currency (“LC”))**

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		2Q 2019	2Q 2018	Better/ (Worse)	%	2Q 2019	2Q 2018	Better/ (Worse)	%	2Q 2019	2Q 2018	Better/ (Worse)
		LC'm	LC'm			LC'm	LC'm			LC/day		
Master Leases												
Australia	AUD	1.9	1.9	–	–	1.8	1.7	0.1	6	–	–	–
France	EUR	5.4	5.7	(0.3)	(5)	4.9	5.6	(0.7)	(13)	–	–	–
Germany	EUR	2.5	2.4	0.1	4	2.4	2.2	0.2	9	–	–	–
Singapore	S\$	4.5	5.4	(0.9)	(17)	3.8	4.6	(0.8)	(17)	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	2.7	2.4	0.3	13	1.1	0.9	0.2	22	84	75	12
Spain	EUR	1.7	1.4	0.3	21	0.9	0.7	0.2	29	128	106	21
United Kingdom	GBP	8.4	7.6	0.8	11	3.8	3.4	0.4	12	144	130	11
Management contracts												
Australia	AUD	6.9	6.3	0.6	10	2.3	2.5	(0.2)	(8)	120	134	(10)
China	RMB	64.9	66.3	(1.4)	(2)	29.1	25.8	3.3	13	455	473	(4)
Indonesia	USD	2.7	2.8	(0.1)	(4)	0.8	0.9	(0.1)	(11)	69	70	(1)
Japan ³	JPY	1,211.7	1,159.2	52.5	5	661.3	663.6	(2.3)	–	13,238	12,203	8
Malaysia	MYR	2.9	3.2	(0.3)	(9)	0.3	0.8	(0.5)	(63)	153	172	(11)
Philippines	PHP	244.2	206.2	38.0	18	86.2	56.0	30.2	54	4,881	4,145	18
Singapore	S\$	6.2	6.1	0.1	2	2.5	2.5	–	–	194	190	2
United States of America	USD	22.4	22.8	(0.4)	(2)	10.1	6.9	3.2	46	240	243	(1)
Vietnam	VND ¹	176.3	168.5	7.8	5	93.2	86.8	6.4	7	1,583	1,528	4

¹ Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

² REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

³ Revenue and gross profit for Infini Garden have been classified under “Management contracts” category as the master lease arrangement has expired on 30 June 2018. For comparison purpose, the revenue and gross profit for Infini Garden for 2Q 2018 have been reclassified from “Master lease” category to “Management contracts” category.

8(a) **Revenue and Gross Profit Analysis – 2Q 2019 vs. 2Q 2018 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis¹		
	2Q 2019	2Q 2018	Better/ (Worse)		2Q 2019	2Q 2018	Better/ (Worse)		2Q 2019	2Q 2018	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
Master Leases											
Australia	1.8	1.9	(0.1)	(5)	1.7	1.7	–	–	–	–	–
France	8.3	9.1	(0.8)	(9)	7.4	8.9	(1.5)	(17)	–	–	–
Germany	3.9	3.8	0.1	3	3.7	3.5	0.2	6	–	–	–
Singapore	4.5	5.4	(0.9)	(17)	3.8	4.6	(0.8)	(17)	–	–	–
Sub-total	18.5	20.2	(1.7)	(8)	16.6	18.7	(2.1)	(11)	–	–	–
Management contracts with minimum guaranteed income											
Belgium	4.2	3.9	0.3	8	1.7	1.4	0.3	21	129	120	8
Spain	2.7	2.3	0.4	17	1.4	1.2	0.2	17	197	169	17
United Kingdom	14.8	13.8	1.0	7	6.7	6.2	0.5	8	255	236	8
Sub-total	21.7	20.0	1.7	9	9.8	8.8	1.0	11	209	192	9
Management contracts											
Australia	6.6	6.3	0.3	5	2.2	2.5	(0.3)	(12)	115	135	(15)
China	13.0	13.8	(0.8)	(6)	5.8	5.4	0.4	7	91	99	(8)
Indonesia	3.7	3.7	–	–	1.2	1.3	(0.1)	(8)	94	93	1
Japan ²	14.8	14.1	0.7	5	8.1	8.1	–	–	162	149	9
Malaysia	1.0	1.1	(0.1)	(9)	0.1	0.3	(0.2)	(67)	50	58	(14)
Philippines	6.3	5.2	1.1	21	2.2	1.4	0.8	57	127	105	21
Singapore	6.2	6.1	0.1	2	2.5	2.5	–	–	194	190	2
United States of America	30.5	30.2	0.3	1	13.7	9.1	4.6	51	326	323	1
Vietnam	10.2	9.8	0.4	4	5.4	5.0	0.4	8	92	89	3
Sub-total	92.3	90.3	2.0	2	41.2	35.6	5.6	16	149	149	–
Group	132.5	130.5	2.0	2	67.6	63.1	4.5	7	158	155	2

¹ REVPAU for Japan refers to serviced residences and excludes rental housing.

² Revenue and gross profit for Infini Garden have been classified under "Management contracts" category as the master lease arrangement has expired on 30 June 2018. For comparison purpose, the revenue and gross profit for Infini Garden for 2Q 2018 have been reclassified from "Master lease" category to "Management contracts" category.

Group

Please refer to para 1(a)(ii)(A.1) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

Australia

Revenue remained stable as compared to 2Q 2018. Gross profit increased by AUD 0.1 million due to lower operation and maintenance expense.

In SGD terms, revenue decreased by S\$0.1 million or 5% due to depreciation of AUD against SGD. Gross profit remained at the same level as 2Q 2018.

France

Revenue decreased by EUR 0.3 million or 5% as compared to 2Q 2018 due to lower rent upon renewal of certain master leases. Gross profit was higher in 2Q 2018 due to reversal of provision for business tax no longer required of EUR 0.3 million. Excluding this one-off adjustment, gross profit for 2Q 2019 was lower mainly due to lower revenue.

In SGD terms, revenue decreased by S\$0.8 million or 9% due to depreciation of EUR against SGD and lower underlying performance. Gross profit decreased by S\$1.5 million or 17%.

Germany

Revenue increased by EUR 0.1 million or 4% due to higher variable rent earned by Madison Hamburg in 2Q 2019. Gross profit increased by EUR 0.2 million or 9% due to higher revenue and refund of property tax in respect of prior periods.

In SGD terms, revenue increased by S\$0.1 million or 3% due to stronger underlying performance. Gross profit, in SGD terms, increased by S\$0.2 million or 6%.

Singapore

Both revenue and gross profit decreased due to the divestment of Ascott Raffles Place in May 2019. On a same store basis, revenue and gross profit increased by S\$0.2 million, as compared to 2Q 2018, due to higher variable rent earned by Ascott Orchard as a result of stronger corporate and leisure demand.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.3 million or 13% and REVPAU increased by 12% in 2Q 2019 due to stronger leisure demand.

Gross profit increased by EUR 0.2 million or 22% due to higher revenue, partially offset by higher staff costs.

In SGD terms, revenue increased by S\$0.3 million or 8% as compared to 2Q 2018 due to stronger underlying performance, partially offset by depreciation of EUR against SGD. Gross profit, in SGD terms, increased by S\$0.3 million or 21%.

Spain

Revenue increased by EUR 0.3 million or 21% and REVPAU increased by 21% due to stronger leisure demand. Gross profit increased by EUR 0.2 million or 29% due to higher revenue.

In SGD terms, revenue increased by S\$0.4 million or 17% and gross profit increased by S\$0.2 million or 17% due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 0.8 million or 11% and REVPAU increased by 11% as compared to 2Q 2018 due to higher corporate and leisure demand.

Gross profit increased by GBP 0.4 million or 12% due to higher revenue, partially offset by higher marketing expense and management fee.

In SGD terms, revenue increased by S\$1.0 million or 7% due to stronger underlying performance, partially offset by depreciation of GBP against SGD. Gross profit, in SGD terms, increased by S\$0.5 million or 8%.

C. Management contracts

Australia

Revenue increased by AUD 0.6 million or 10% due to the acquisition of Citadines Connect Sydney Airport in May 2019. REVPAU decreased by 10% in 2Q 2019 due to the acquisition of Citadines Connect Sydney Airport, which had lower REVPAU as compared to the existing properties in Australia.

On a same store basis, revenue and gross profit decreased mainly due to softer leisure and corporate demand in Melbourne.

In SGD terms, revenue increased by S\$0.3 million or 5% and gross profit decreased by S\$0.3 million or 12% due to depreciation of AUD against SGD.

China

Revenue decreased by RMB 1.4 million or 2% due to softer corporate demand, mitigated by higher commercial rent. REVPAU decreased by 4% as compared to 2Q 2018. Gross profit increased by RMB 3.3 million or 13% due to the adoption of FRS 116.

Excluding the FRS 116 adjustments, gross profit increased by RMB 2.2 million or 9% due to lower staff costs (arising from reversal of over-provision of prior year's expense), marketing expense and depreciation expense (arising from fully depreciated assets), partially offset by lower revenue.

In SGD terms, revenue decreased by S\$0.8 million or 6% due to depreciation of RMB against SGD and lower underlying performance. Gross profit increased by S\$0.4 million or 7%.

Indonesia

Both revenue and gross profit decreased by USD 0.1 million, and REVPAU decreased by 1% as compared to 2Q 2018 due to softer demand.

In SGD terms, revenue remained stable due to appreciation of USD against SGD offset by lower underlying performance. Gross profit decreased by S\$0.1 million or 8%.

Japan

Revenue increased by JPY 52.5 million or 5% and REVPAU increased by 8% as compared to 2Q 2018 due to stronger leisure demand for the serviced residences.

Gross profit decreased by JPY 2.3 million due to higher marketing expense, operation & maintenance expense and staff costs, partially offset by higher revenue.

In SGD terms, revenue increased by S\$0.7 million or 5% due to stronger underlying performance. Gross profit remained stable.

Malaysia

Revenue decreased by MYR 0.3 million or 9% and REVPAU decreased by 11% as compared to 2Q 2018 due to keen competition. Gross profit decreased by MYR 0.5 million or 63% due to lower revenue, coupled with higher staff costs (arising from lower reversal of over-provision of prior year's bonus expense as compared to 2Q 2018).

In SGD terms, revenue decreased by S\$0.1 million or 9% due to lower underlying performance and depreciation of MYR against SGD. Gross profit decreased by S\$0.2 million or 67%.

The Philippines

Revenue increased by PHP 38.0 million or 18% and REVPAU increased by 18% due to higher revenue from the refurbished apartments at Ascott Makati. Gross profit increased by PHP 30.2 million or 54%. Excluding the FRS 116 adjustments, gross profit increased by PHP 20.2 million or 36% due to higher revenue and lower staff costs, partially offset by higher depreciation expense (post renovation) and marketing expense.

In SGD terms, revenue and gross profit increased by S\$1.1 million or 21% and S\$0.8 million or 57% respectively due to stronger underlying performance and appreciation of PHP against SGD.

Singapore

Revenue increased by S\$0.1 million or 2% and REVPAU increased by 2% due to higher market demand.

Gross profit remained stable due to higher revenue, offset by higher marketing expense.

The United States of America

Revenue decreased by USD 0.4 million or 2% and REVPAU decreased by 1% as compared to 2Q 2018 due to softer market demand.

Gross profit increased by USD 3.2 million. Had the FRS 116 adjustments for 2Q 2019 and the straight-line recognition of operating lease expense for 2Q 2018 been excluded, gross profit would have decreased by USD 0.2 million. The lower gross profit was attributed to lower revenue and higher staff costs, partially offset by lower marketing expense.

In SGD terms, revenue increased by S\$0.3 million or 1% due to appreciation of USD against SGD, partially offset by lower underlying performance. Gross profit increased by S\$4.6 million or 51%.

Vietnam

Revenue increased by VND 7.8 billion or 5% and REVPAU increased by 4% as compared to 2Q 2018 mainly due to stronger corporate and leisure demand, and higher commercial rent. Gross profit increased by VND 6.4 billion or 7% due to higher revenue and lower staff costs, partially offset by higher operation & maintenance expense.

In SGD terms, revenue increased by S\$0.4 million or 4% and gross profit increased by S\$0.4 million or 8% respectively due to stronger underlying performance.

8(b) Revenue and Gross Profit Analysis – YTD Jun 2019 vs. YTD Jun 2018 (Local Currency (“LC”))

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		YTD Jun 2019	YTD Jun 2018	Better/ (Worse)		YTD Jun 2019	YTD Jun 2018	Better/ (Worse)		YTD Jun 2019	YTD Jun 2018	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
Master Leases												
Australia	AUD	3.8	3.8	–	–	3.6	3.4	0.2	6	–	–	–
France	EUR	10.7	11.2	(0.5)	(4)	9.7	10.6	(0.9)	(8)	–	–	–
Germany	EUR	5.0	4.8	0.2	4	4.6	4.4	0.2	5	–	–	–
Singapore	S\$	10.5	10.6	(0.1)	(1)	9.1	9.1	–	–	–	–	–
Management contracts with minimum guaranteed income												
Belgium	EUR	4.8	4.4	0.4	9	1.6	1.2	0.4	33	74	67	10
Spain	EUR	2.9	2.5	0.4	16	1.4	1.2	0.2	17	106	92	15
United Kingdom	GBP	15.2	13.6	1.6	12	6.2	5.4	0.8	15	131	116	13
Management contracts												
Australia	AUD	14.1	13.3	0.8	6	5.5	5.6	(0.1)	(2)	138	143	(4)
China	RMB	128.4	129.4	(1.0)	(1)	54.5	49.2	5.3	11	452	461	(2)
Indonesia	USD	5.5	5.8	(0.3)	(5)	1.8	1.9	(0.1)	(5)	71	74	(4)
Japan ³	JPY	2,315.7	2,204.0	111.7	5	1,241.8	1,219.3	22.5	2	12,216	11,304	8
Malaysia	MYR	6.4	7.0	(0.6)	(9)	1.1	2.0	(0.9)	(45)	173	189	(9)
Philippines	PHP	492.3	405.7	86.6	21	174.0	110.3	63.7	58	4,965	4,097	21
Singapore	S\$	12.6	11.3	1.3	12	5.2	4.5	0.7	16	197	177	11
United States of America	USD	35.5	36.6	(1.1)	(3)	12.7	6.8	5.9	87	190	196	(3)
Vietnam	VND ¹	349.8	341.7	8.1	2	191.0	185.8	5.2	3	1,587	1,570	1

¹ Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

² REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

³ Revenue and gross profit for Infini Garden have been classified under “Management contracts” category as the master lease arrangement has expired on 30 June 2018. For comparison purpose, the revenue and gross profit for Infini Garden for YTD Jun 2018 have been reclassified from “Master lease” category to “Management contracts” category.

8(b) **Revenue and Gross Profit Analysis – YTD Jun 2019 vs. YTD Jun 2018 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis ¹		
	YTD Jun 2019	YTD Jun 2018	Better/ (Worse)		YTD Jun 2019	YTD Jun 2018	Better/ (Worse)		YTD Jun 2019	YTD Jun 2018	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
Master Leases											
Australia	3.7	3.9	(0.2)	(5)	3.5	3.6	(0.1)	(3)	–	–	–
France	16.5	18.0	(1.5)	(8)	14.9	17.0	(2.1)	(12)	–	–	–
Germany	7.8	7.7	0.1	1	7.0	7.1	(0.1)	(1)	–	–	–
Singapore	10.5	10.6	(0.1)	(1)	9.1	9.1	–	–	–	–	–
Sub-total	38.5	40.2	(1.7)	(4)	34.5	36.8	(2.3)	(6)	–	–	–
Management contracts with minimum guaranteed income											
Belgium	7.5	7.0	0.5	7	2.5	2.0	0.5	25	114	108	6
Spain	4.4	4.1	0.3	7	2.1	2.0	0.1	5	163	148	10
United Kingdom	26.8	24.7	2.1	9	10.8	9.9	0.9	9	231	211	10
Sub-total	38.7	35.8	2.9	8	15.4	13.9	1.5	11	187	172	9
Management contracts											
Australia	13.6	13.6	–	–	5.3	5.7	(0.4)	(7)	133	147	(10)
China	25.7	26.9	(1.2)	(5)	10.9	10.2	0.7	7	91	96	(5)
Indonesia	7.4	7.6	(0.2)	(3)	2.5	2.6	(0.1)	(4)	97	98	(1)
Japan ²	28.5	26.8	1.7	6	15.3	14.9	0.4	3	150	137	10
Malaysia	2.1	2.4	(0.3)	(13)	0.4	0.7	(0.3)	(43)	57	64	(11)
Philippines	12.8	10.4	2.4	23	4.5	2.8	1.7	61	129	105	23
Singapore	12.6	11.3	1.3	12	5.2	4.5	0.7	16	197	177	11
United States of America	48.2	48.5	(0.3)	(1)	17.2	8.9	8.3	93	258	259	–
Vietnam	20.3	19.8	0.5	3	11.1	10.8	0.3	3	92	91	1
Sub-total	171.2	167.3	3.9	2	72.4	61.1	11.3	19	138	137	1
Group	248.4	243.3	5.1	2	122.3	111.8	10.5	9	146	142	3

¹ REVPAU for Japan refers to serviced residences and excludes rental housing.

² Revenue and gross profit for Infini Garden have been classified under "Management contracts" category as the master lease arrangement has expired on 30 June 2018. For comparison purpose, the revenue and gross profit for Infini Garden for YTD Jun 2018 have been reclassified from "Master lease" category to "Management contracts" category.

For the six months ended 30 June 2019 ("YTD Jun 2019"), revenue increased by S\$5.1 million or 2% as compared to the corresponding period last year ("YTD Jun 2018"). The increase in revenue was mainly due to higher revenue of S\$5.2 million from the existing properties and additional contribution of S\$0.8 million from the acquisition of Citadines Connect Sydney Airport, partially offset by decrease in revenue of S\$0.9 million from the divestment of Ascott Raffles Place Singapore.

REVPAU increased by 3%, from S\$142 in YTD Jun 2018 to S\$146 in YTD Jun 2019.

Gross profit for YTD Jun 2019 increased by S\$10.5 million or 9% as compared to YTD Jun 2018 due to higher revenue and the FRS 116 adjustments. On a same store basis and excluding the FRS 116 adjustments, gross profit increased by S\$0.8 million.

(c) **Change in value of serviced residence properties and assets held for sale**

The change in value of serviced residence properties and assets held for sale will affect the net asset value but has no impact on the unitholders' distribution.

Any increase or decrease in value is credited or charged to the Statement of Total Return as net appreciation or depreciation on revaluation of serviced residence properties.

As at 30 June 2019, independent desktop valuations were carried out by HVS. In determining the fair value of the Group's portfolio, the discounted cash flow approach was used. The valuation method used is consistent with that used for the 31 December 2018 valuation and prior years.

The Group's portfolio (including investment property under development) was revalued at S\$4,825.6 million, resulting in a surplus of S\$9.0 million which was recognised in the Consolidated Statement of Total Return in 2Q 2019. The surplus resulted mainly from higher valuation of the Group's properties in Australia, Belgium, Germany and Japan, partially offset by lower valuation from the properties in China, Philippines, Spain and Vietnam. The net impact on the Consolidated Statement of Total Return was S\$5.6 million (net of tax and non-controlling interests).

9. **Variance from forecast**

The Group has not disclosed any forecast to the market.

10. **Commentary of the significant trends and the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

The International Monetary Fund expects the global economy to grow 3.2% in 2019 before increasing to 3.5% in 2020. The global economy remains delicate, as trade tensions continue to weigh on business confidence.

On the back of the uncertain outlook, the US Federal Reserve kept interest rates unchanged at 2.25% to 2.5% in June 2019 and hinted at the possibility of a rate cut. As at 30 June 2019, Ascott Reit's effective interest costs remained low at 2.1%. The 'BBB' investment grade status by Fitch Ratings provides credit assurance to stakeholders, enabling Ascott Reit to continue raising funds at attractive rates and terms.

On the hospitality front, international tourist arrivals grew approximately 4% in the first quarter of 2019, in line with UNWTO's full year forecast. One of the bright spots was Asia Pacific, which grew 6% from the previous year, fueled by North-East Asia which rose 9%. As demand continues to grow, supply in the lodging space has increased.

With about 40% of gross profit contribution from master leases and management contracts with minimum guaranteed income and a geographically diversified portfolio, Ascott Reit is well positioned to remain competitive and deliver stable returns to Unitholders.

In the longer term, Ascott Reit continues to be positive in the hospitality sector, particularly in Asia Pacific where the demand for business and leisure travel is underpinned by economic growth and an expanding middle-class.

On 3 July 2019, Ascott Reit announced the proposed combination with Ascendas Hospitality Trust. This transaction, which is DPU-accretive on a FY 2018 pro forma basis, will consolidate Ascott Reit's position as the largest hospitality trust in Asia Pacific, increase the portfolio's presence in Asia Pacific where growth remains robust, while enhancing income diversification and resilience. This transaction is subject to Unitholders' approval and is expected to be completed by the end of 2019.

Sources: UNTWO (2019), IMF (2019), Federal Reserve System (2019)

11. **DISTRIBUTIONS**

11(a) **Current financial period**

Any distributions declared for the current financial period? Yes
Period of distribution : Distribution for 1 January 2019 to 30 June 2019

Distribution Type	Distribution Rate (cents)
Taxable Income	0.670
Tax Exempt Income	0.873
Capital	1.888
Total	3.431

11(b) **Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes
Period of distribution : Distribution for 1 January 2018 to 30 June 2018

Distribution Type	Distribution Rate (cents)
Taxable Income	0.610
Tax Exempt Income	1.344
Capital	1.238
Total	3.192

11(c) Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all unitholders.

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For unitholders who are liable to tax on profits from sale of Ascott Reit Units, the amount of capital distribution will be applied to reduce the cost base of their Ascott Reit Units for tax purposes.

11(c) Book closure date : 7 August 2019

11(d) Date payable : 29 August 2019

12. **If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

13. **General mandate for Interested Person Transactions (“IPT”)**

The Group has not obtained a general mandate from Unitholders for IPT.

14. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust (comprising the statements of financial position as at 30 June 2019, consolidated statement of total return, consolidated statement of cash flows and statement of movements in unitholders' funds for the six months ended 30 June 2019, together with their accompanying notes), to be false or misleading in any material aspect.

On behalf of the Board
Ascott Residence Trust Management Limited

Tan Beng Hai
Chairman

Beh Siew Kim
Director

This release may contain forward-looking statements that involve 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 companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Karen Chan
Company Secretary
30 July 2019



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Report on review of Interim Financial Information

The Board of Directors

Ascott Residence Trust Management Limited

(in its capacity as Manager of Ascott Residence Trust and its subsidiaries)

Introduction

We have reviewed the accompanying interim financial information (the “Interim Financial Information”) of Ascott Residence Trust (the “Trust”) and its subsidiaries (the “Group”) for the six-month period ended 30 June 2019. The Interim Financial Information consists of the following:

- Statement of Financial Position of the Group as at 30 June 2019;
- Statement of Total Return of the Group for the six-month period ended 30 June 2019;
- Statement of Movements in Unitholders’ Funds of the Group for the six-month period ended 30 June 2019;
- Distribution Statement of the Group for the six-month period ended 30 June 2019;
- Portfolio Statement of the Group as at 30 June 2019;
- Statement of Cash Flows of the Group for the six-month period ended 30 June 2019; and
- Certain explanatory notes to the above Interim Financial Information.

The management of Ascott Residence Management Limited (the “Manager” of Ascott Residence Trust) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants (“ISCA”). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.



Other Matter

The Interim Financial Information for the comparative six-month period ended 30 June 2018 have not been audited or reviewed.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the ISCA.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting Ascott Residence Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and comply with the requirements of Rule 25 of Singapore Code of Take-Overs and Mergers, and for no other purpose. Our report is included in the unaudited financial statements announcement of Ascott Residence Trust for the six-month period ended 30 June 2019 for the information of the Unitholders. We do not assume responsibility to anyone other than the Ascott Residence Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
30 July 2019



Report from the IFA in respect of the Interim Financial Information

30 July 2019

The Board of Directors (the “**Directors**”) of
Ascott Residence Trust Management Limited
(in its capacity as Manager of Ascott Residence Trust)
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

DBS Trustee Limited
(in its capacity as Trustee of Ascott Residence Trust)
12 Marina Boulevard Level 44
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

Report from the IFA in respect of the Interim Financial Information (as defined herein) made in the announcement which was released by Ascott Residence Trust (the “Ascott Reit”) on SGXNET on 30 July 2019

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Joint Announcement in relation to the Combination of Ascott Residence Trust and Ascendas Hospitality Trust dated 3 July 2019.

On 3 July 2019, the Ascott Reit Manager and the A-HTRUST REIT Manager jointly announced the Combination, which shall be effected through acquisition by Ascott Reit of all the issued and paid-up stapled units in A-HTRUST by way of a trust scheme of arrangement in compliance with the Code.

On 30 July 2019, the Directors had approved the unaudited financial statements announcement of Ascott Residence Trust and its subsidiaries (the “**Group**”) relating to its financial performance for the six-month period ended 30 June 2019 (the “**Interim Financial Information**”).

We have reviewed the Interim Financial Information and have held discussions with the management of Ascott Reit Manager who are responsible for the preparation of the Interim Financial Information.

Except as disclosed in paragraph 5 of the Interim Financial Information, amongst others notably the adoption of the accounting standard FRS 116, the Interim Financial Information were arrived at on bases consistent with the significant accounting policies and methods of computation adopted by the Group for the preparation of the audited consolidated financial statements of the Group for the full year ended 31 December 2018 (“**FY2018**”), which are set out in the annual report of the Group for FY2018.

We have also considered the Report on review of Interim Financial Information dated 30 July 2019 issued by KPMG LLP, being the external independent auditors of the Group, relating to their review of the Interim Financial Information.

ANZ Corporate Advisory

10 Collyer Quay, #22-00 Ocean Financial Centre, Singapore 049315

Australia and New Zealand Banking Group Limited ACN 005 357 522 | Singapore Registration Number F00002839E



Based on the above, we are of the opinion that the Interim Financial Information have been made by the Directors after due and careful enquiry.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with us by the Ascott Reit Manager. Save as provided in this letter, we do not express any other opinion or views on the Interim Financial Information. The Directors remain solely responsible for the Interim Financial Information.

The letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person(s), other than the Ascott Reit and the Directors, in respect of, arising out of, or in connection with this letter.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch















A handwritten signature in black ink, appearing to read 'Sigismund Kwok'.

Sigismund Kwok
Corporate Advisory

This page has been intentionally left blank.

APPENDIX K: OVERVIEW AND MARKET OUTLOOK OF THE A-HTRUST PROPERTIES

A-HTRUST's Portfolio (as at 31 March 2019)

<p>Hotel Sunroute Ariake ●</p>  <p>Location: Tokyo, Japan Land Title: Freehold No. of Rooms: 912 Valuation (\$\$ m): 325.0</p>	<p>Sotetsu Grand Fresa Osaka-Namba⁽¹⁾ ●</p>  <p>Location: Osaka, Japan Land Title: Freehold No. of Rooms: 698 Valuation (\$\$ m): 239.8</p>
<p>Hotel WBF Kitasemba East ●</p>  <p>Location: Osaka, Japan Land Title: Freehold No. of Rooms: 168 Valuation (\$\$ m): 43.1</p>	<p>Hotel WBF Kitasemba West ●</p>  <p>Location: Osaka, Japan Land Title: Freehold No. of Rooms: 168 Valuation (\$\$ m): 43.2</p>
<p>Hotel WBF Honmachi ●</p>  <p>Location: Osaka, Japan Land Title: Freehold No. of Rooms: 182 Valuation (\$\$ m): 43.3</p>	<p>The Splaisir Seoul Dongdaemun ●</p>  <p>Location: Seoul, Korea Land Title: Freehold No. of Rooms: 215 Valuation (\$\$ m)⁽²⁾: 95.1</p>
<p>ibis Ambassador Seoul Insadong ●</p>  <p>Location: Seoul, Korea Land Title: Freehold No. of Rooms: 363 Valuation (\$\$ m)⁽³⁾: 98.1</p>	<p>Park Hotel Clarke Quay ●</p>  <p>Location: Singapore Land Title: Leasehold, expiring November 2105 No. of Rooms: 336 Valuation (\$\$ m): 325.0</p>
<p>Pullman Sydney Hyde Park ■</p>  <p>Location: Sydney, Australia Land Title: Freehold No. of Rooms: 241 Valuation (\$\$ m): 156.4</p>	<p>Novotel Sydney Central ■</p>  <p>Location: Sydney, Australia Land Title: Freehold No. of Rooms: 255 Valuation (\$\$ m): 161.2</p>
<p>Novotel Sydney Parramatta ■</p>  <p>Location: Sydney, Australia Land Title: Freehold No. of Rooms: 194 Valuation (\$\$ m): 43.7</p>	<p>Courtyard by Marriott Sydney-North Ryde ■</p>  <p>Location: Sydney, Australia Land Title: Freehold No. of Rooms: 196 Valuation (\$\$ m): 52.3</p>
<p>Pullman and Mercure Melbourne Albert Park ■</p>  <p>Location: Melbourne, Australia Land Title: Freehold No. of Rooms: 378 Valuation (\$\$ m): 109.4</p>	<p>Pullman and Mercure Brisbane King George Square ■</p>  <p>Location: Brisbane, Australia Land Title: Freehold No. of Rooms: 438 Valuation (\$\$ m): 89.2</p>

● Master Lease ■ Management Contract

Source: Company filings. Valuation as at 31 March 2019

Note: (1) Formerly known as Hotel Sunroute Osaka Namba; (2) Based on 100% interest in the property. Based on A-HTRUST's 98.7% ownership, the valuation would be approximately \$93.8m; (3) Based on 100% interest in the property. Based on A-HTRUST's 98.8% ownership, the valuation would be approximately \$96.9m.

Bespoke Market Research
DBS Trustee Limited (as trustee of Ascott Residence Trust)

Independent Hotel Market Commentaries for Seven Markets in Asia Pacific

Contents

1.0	Introduction.....	4
1.1	Client Brief.....	4
2.0	Singapore Market Overview.....	6
2.1	Economic Indicators.....	6
2.2	Singapore Tourism Market Overview.....	6
2.3	Singapore Hotel Market Overview.....	6
2.4	Singapore Hotel Trading Performance.....	7
2.5	Singapore Market Outlook.....	7
3.0	Japan Market Overview.....	9
3.1	Economic Indicators.....	9
3.2	Tokyo Tourism Market Overview.....	9
3.3	Tokyo Hotel Market Overview.....	9
3.4	Tokyo Hotel Trading Performance.....	10
3.5	Tokyo Market Outlook.....	10
3.6	Osaka Tourism Market Overview.....	10
3.7	Osaka Hotel Market Overview.....	11
3.8	Osaka Hotel Trading Performance.....	11
3.9	Osaka Market Outlook.....	11
4.0	South Korea Market Overview.....	12
4.1	Economic Indicators.....	12
4.2	South Korea Tourism Market Overview.....	12
4.3	Seoul Hotel Market Overview.....	12
4.4	Seoul Hotel Trading Performance.....	13
4.5	Seoul Market Outlook.....	13
5.0	Australia Market Overview.....	14
5.1	Economic Indicators.....	14
5.2	Sydney Tourism Market Overview.....	14
5.3	Sydney Hotel Market Overview.....	15
5.4	Sydney Hotel Trading Performance.....	15
5.5	Sydney Market Outlook.....	15
5.6	Melbourne Tourism Market Overview.....	16
5.7	Melbourne Hotel Market Overview.....	16
5.8	Melbourne Hotel Trading Performance.....	17
5.9	Melbourne Market Outlook.....	17

5.10	Brisbane Tourism Market Overview	17
5.11	Brisbane Hotel Market Overview	18
5.12	Brisbane Hotel Trading Performance	18
5.13	Brisbane Market Outlook.....	18

Introduction

1.1 Client Brief

This report has been prepared in response to the proposal dated 22 July 2019 from DBS Trustee Limited (as trustee of Ascott Residence Trust) (“Client”), requesting Jones Lang LaSalle Property Consultants Pte Ltd / Jones Lang LaSalle Hotels & Hospitality Group (“JLL”) to provide brief independent hotel market commentaries on seven hotel markets in Asia Pacific (the “Assignment”).

This report is prepared in accordance with our agreed instructions from the Client and we understand that the market commentaries will be included in a circular as part of the Ascott Residence Trust’s extraordinary general meeting.

Asia Pacific (Hotel Markets)	
1.	Singapore
2.	Tokyo
3.	Osaka
4.	Seoul
5.	Sydney
6.	Melbourne
7.	Brisbane

1.2 Information Utilised

Our report is based upon material in our possession and, on information from third party providers, which we believe to be reliable but may not be exhaustive. Whilst due care has been undertaken in the use of such information, its accuracy and completeness has not been fully verified by JLL. The information contained in this report is as of date of our research, July 2019.

- JLL proprietary information
- Industry sources
- Oxford Economics
- Government sources
- STR hotel trading performance reports

JLL takes no responsibility for any damage or loss by reason of inaccuracy or incorrectness of this report as a result of proprietary and third party information.

1.3 Statement of Assumptions and Limiting Conditions

This report is provided to DBS Trustee Limited as trustee of Ascott Residence Trust (the “REIT Trustee”) for the purpose of inclusion in the composite document of Ascott Residence Trust’s extraordinary general meeting and scheme meeting, and is not to be copied or redistributed to any other person or corporation without the prior written consent of JLL.

No liability for negligence or otherwise is assumed by JLL for the material contained in the report. Any liability on the part of JLL, its servants or agents for damages for any claim arising



out of or in connection with this report, other than liability which is totally excluded by this clause, shall not (whether or not such liability results from or involves negligence) exceed US\$1,000.

All terms and conditions for the material contained in the report will remain per the terms and conditions outlined in our proposal dated 22 July 2019.

The information contained in the report has been prepared in good faith and with due care by JLL. We confirm that this report has been written in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of this report.

2.0 Singapore Market Overview

2.1 Economic Indicators

Economic Indicators	2017	2018	2019F	2020F	2021F	2022F
Real GDP (% Growth)	3.7	3.1	0.7	1.8	2.4	2.6
Consumer Price Index (% Growth)	0.6	0.4	0.9	1.6	1.8	1.8
Unemployment Rate (%)	2.2	2.1	2.3	2.2	2.0	2.0
Foreign Direct Investments, inflows (SGD billions)	130.8	110.4	123.4	128.5	133.6	140.0

Source: Oxford Economics, July 2019

According to Oxford Economics as at July 2019, Q2 2019 GDP contracted by 3.4% quarter-on-quarter (“q-o-q”) on a seasonally adjusted annualised basis, resulting in a year-on-year (“y-o-y”) growth of 0.1%. The negative Q2 2019 results were driven by a fall in the manufacturing sector as the external backdrop weakened. External factors such as the slower global economic growth and the US-China trade tension dampened goods export.

Following the weaker performance, GDP is forecasted to grow by 0.7% y-o-y in 2019 before resuming on a stronger growth trajectory commencing in 2020. Domestic-driven activities are expected to help marginally offset the weaker trading outlook, with relatively stable labour conditions that are unlikely to result in steep slowdowns in household spending. Moreover, Singapore is likely to be a notable beneficiary of the flight to safety amidst global trade uncertainties and instabilities, with foreign direct investment inflow to Singapore forecasted to increase by around 12% y-o-y to SGD123.4 billion in 2019 to register a compound annual growth rate (“CAGR”) of 4.3% over the three-year period from 2019 to 2022.

2.2 Singapore Tourism Market Overview

According to the Singapore Tourism Board (“STB”), in 2018 visitor arrivals rose by 6.2% y-o-y to reach record levels for the third consecutive year to 18.5 million. In the same year, Changi Airport handled a record 65.6 million passenger movements, a 5.5% y-o-y increase.

As at year-to-date (“YTD”) May 2019, visitor arrivals continued on an uptrend and registered an uplift of 1.5% y-o-y to 7.8 million, whilst passenger movements rose by 3.4% y-o-y to 27.4 million during the same period. This was driven by growth in visitation from the city-state’s top 10 source markets such as the United States (“US”) (9.2%), Japan (8.0%), the Philippines (5.6%) and China (3.8%). Should the visitor growth rate continue at its current pace, Singapore is likely to be on track to achieve its target of receiving between 18.7 and 19.2 million visitors by end-2019.

2.3 Singapore Hotel Market Overview

According to JLL Research, there were a total of 68,788 quality hotel rooms in 2018, representing a 0.5% y-o-y increase over the previous year. The new supply comprised three hotels consisting of 344 rooms, namely the 157-room The Capitol Kempinski Hotel Singapore; the 138-room Six Senses Maxwell; and the 49-room Six Senses Duxton.

Total existing hotel room supply will increase by 2.0% y-o-y by end-2019, with most of the new supply located in the Sentosa region (60.2%). This is followed by Raffles Place (21.8%), the eastern region (9.3%) and the Rochor area (8.6%). Of this new supply, 55.7% is in the midscale segment, followed by the upscale (35.7%) and the budget segment (8.6%). For the period end-2019 to end-2022, overall hotel room supply growth is expected to register a CAGR of 0.7%, below the average annual growth of 4.2% in supply recorded in the three year period from end-2015 to end-2018.

As at YTD June 2019, 1,353 rooms consisting of five new hotel developments were added to the existing supply. Notable new supply in 1H 2019 includes the 120-room Holiday Inn Express Singapore Serangoon; the 606-room Village Hotel Sentosa; the 304-room Capri by Frasers, China Square; the 193-room Outpost Hotel Sentosa; and the 130-room YOTELAIR located at the newly opened Jewel Changi Airport. One hotel is expected to open for the remainder of the year, namely the 40-room The Barracks Hotel by Far East Hospitality.

2.4 Singapore Hotel Trading Performance

According to the STB, market-wide RevPAR rose by 2.3% y-o-y to SGD189 in 2018. This was driven by the y-o-y increases in occupancy of 1.4 percentage points (“pp”) to 86.2% and ADR of 0.7% to SGD219. As at YTD June 2019, ADR inched up by 0.3% y-o-y to SGD217. RevPAR declined marginally by 0.2% y-o-y to SGD184 mainly due to the slight y-o-y decline in occupancy of 0.5 pp to 84.8%. The relatively muted trading performance was largely due to the absence of one-off and biennial events such as the North Korea-US Summit in June 2018 and the Singapore Airshow in February 2018.

2.5 Singapore Market Outlook

In the shorter-term, RevPAR is expected to remain positive, although it is likely to grow at a more moderate pace as compared to 2018. This is due to the absence of several one-off events which took place in 2018, as well as the ongoing trade war between the US and China that has dampened Singapore’s goods export volumes in Q2 2019.

In the medium- to long-term, hotel trading performance is expected to be supported by continued efforts through STB’s newly established partnerships, as well as the string of new tourism initiatives slated to complete within the next 10 years. These include the newly opened Jewel Changi Airport in April 2019, as well as the announced expansion of the two existing integrated resorts, namely Marina Bay Sands and Resorts World Sentosa; the new Mandai eco-tourism hub expected to be ready by 2023; a new tourism hub in the Jurong Lake District slated to be ready by 2026; and the future development of the Greater Southern Waterfront.

In the longer-term when Changi Airport Terminal 5 is completed in the 2030s, the new terminal will be able to handle up to 50.0 million passengers per annum in its initial phase. This will bring the airport’s total annual passenger handling capacity to 135.0 million, further supporting visitor growth to the city-state.

Business demand is forecasted to remain strong as Singapore continues to be a preferred destination for MNC headquarters and MICE events. Ranked as one of the world’s most competitive economies, Singapore has attracted several global companies to choose Singapore as its regional headquarters, which is expected to support accommodation demand

from business travellers. This includes Cisco, opening its first South East Asia innovation centre; British technology firm, Dyson, moving its corporate head office to Singapore from the UK; newly-formed global technology services provider, NTT, which is making Singapore its Asia Pacific head office; and Chinese artificial intelligence solutions provider, Yitu Technology, launching its research and development centre in Singapore, the first outside its home country. This is anticipated to support corporate accommodation demand.

The relatively limited known upcoming hotel supply in the next three and a half years is expected to help sustain trading performance levels.

3.0 Japan Market Overview

3.1 Economic Indicators

Economic Indicators	2017	2018	2019F	2020F	2021F	2022F
Real GDP (% Growth)	1.9	0.8	0.5	0.2	1.0	1.0
Consumer Price Index (% Growth)	0.5	1.0	0.8	1.1	0.5	0.8
Unemployment Rate (%)	2.8	2.4	2.4	2.4	2.4	2.4
Foreign Direct Investments, inflows (JPY billions)	2,290.7	2,857.2	4,475.6	4,548.0	4,616.3	4,681.3

Source: Oxford Economics, July 2019

According to the latest available preliminary figures from the Cabinet Office as at July 2019, the Japan economy grew by an annualised rate of 2.1% in Q1 2019. The expansion was mainly due to the positive net exports and an increase in government spending which offset the weaker private investment and personal consumption. Total exports fell by 2.4% q-o-q in Q1 2019, whilst imports fell by a greater margin of 4.6% q-o-q, pointing towards slower domestic demand. Moreover, the ongoing trade tension between the US and China, Japan's two largest trading partners, could potentially further soften trading sentiments.

The Japan economy is expected to be supported by the growth in public spending, which grew by 1.5% q-o-q, the first positive growth in five quarters. This is likely in relation to higher spending on disaster-related public projects following the series of natural disasters in 2018. In addition, the 2019 Rugby World Cup is expected to attract approximately 600,000 international fans and is estimated to bring in JPY437.2 billion in economic benefits, largely from the sale of tickets, goods and foreign visitor spending.

3.2 Tokyo Tourism Market Overview

According to the Japan Tourism Agency ("JTA"), visitor nights in Tokyo grew by 5.4% y-o-y to 57.0 million in 2018. The increase was driven by international guest demand, which registered a y-o-y growth of 12.9%, whilst domestic demand increased slightly by 1.4% y-o-y.

As at YTD April 2019, international visitor nights in Tokyo increased significantly by 27.0% y-o-y to 8.0 million and accounted for 39.2% of total visitor nights in Tokyo. This was supported by the 32.4% growth in Tokyo's biggest source market, China, to around 1.9 million visitors, which represented 23.9% of the total international visitor nights in the city during the period.

3.3 Tokyo Hotel Market Overview

Based on the latest statistics from the Japan Ministry of Health, Labour and Welfare, the Tokyo Metropolitan area has a total of 718 hotels with 110,641 rooms at end-March 2018. This represents an 8.2% y-o-y increase compared to the same period in the previous year, with majority of the new openings classified as limited-service hotels.

The supply of Tokyo's major hotels (upscale and above segment) tracked by JLL totalled 23,663 rooms as at end-2018, representing a 4.0% increase y-o-y. There are no major hotel openings in the upscale to luxury segments in Tokyo as at YTD June 2019. For the rest of 2019,

the only major hotel opening in Tokyo is the re-opening of the Okura Tokyo in September after a JPY110 billion renovation. The Okura will comprise 508 luxury rooms in two new buildings.

From 2H 2019 to 2022, JLL is aware of 2,600 additional rooms of major hotels (upscale and above segments). This translates to a CAGR of 2.8% during the three-year period from end-2019 to end-2022. The majority of the future supply is in the upscale segment (51.0%), followed by the luxury segment (29.0%) and the upper upscale segment (20.0%).

3.4 Tokyo Hotel Trading Performance

Market-wide RevPAR increased by 4.7% y-o-y to JPY16,671 as a result of the 3.4% y-o-y increase in ADR to JPY18,891 and the 1.1 pp increase in occupancy to 88.2% in 2018. As at YTD June 2019, RevPAR grew by 2.9% y-o-y, largely driven by a 4.1% y-o-y increase in ADR. This was mainly supported by the strong increase in international visitor nights.

3.5 Tokyo Market Outlook

Hotel demand is expected to be supported by the growth in international visitors, driven by major sporting events such as the 2019 Rugby World Cup and the 2020 Olympic Games. In the lead up to the 2020 Olympic Games, facilities and infrastructure at both Haneda International Airport and Narita International Airport will be upgraded. This will help cater to the increase in travel demand, as the government targets to receive 40 million in total visitor arrivals in 2020, up from the 31.1 million in 2018. As the main international airport of Japan, Narita Airport will expand its capacity from 300,000 annual landings and departures to 500,000 by the 2020s through the extension of one of its two existing runways, as well as construction of a new third runway.

In addition, Tokyo's reputation as one of the most popular cities for MICE events is expected to sustain corporate accommodation demand. Major MICE events in 2019 include the Tokyo Motor Show to be held during October and November at the Tokyo Big Site venue, which is expected to attract more than 500,000 visitors over a two-week period. Other major events in other parts of Japan, such as the 2025 Osaka World Expo, is also likely to have a ripple effect on the Tokyo hotel sector.

The increase in demand from international visitors is likely to further translate to the strengthening of hotel trading performance in the next 12 months.

3.6 Osaka Tourism Market Overview

According to the JTA, visitor nights in Osaka rose by 0.8% y-o-y to 30.7 million in 2018. The y-o-y increase was despite the series of natural disasters that occurred in the region, reflecting the resilience in Osaka's accommodation sector. The increase in visitor nights was attributed to strong international demand, which grew by 4.2% y-o-y and accounted for 36.8% of total visitor nights in Osaka. This helped to offset the decline in domestic visitor nights, which fell by 1.1% y-o-y during the same period.

As at YTD April 2019, visitor nights in Osaka prefecture rose by 25.3% y-o-y to 13.0 million. This growth was largely driven by the increase in international visitor nights, which rose by 31.7% y-o-y to 5.0 million. Chinese visitor nights grew significantly by 65.7% y-o-y to 1.8 million

as at YTD April 2019, mainly attributable to the increase in the number of scheduled flights from various cities in China to Kansai International Airport (“KIX”).

As the major corporate centre in the western region of Japan, domestic business travellers continue to build a solid base for accommodation demand in Osaka, with domestic visitor nights increasing by 21.5% to 8.0 million as at YTD April 2019.

3.7 Osaka Hotel Market Overview

Based on the latest statistics from the Japan Ministry of Health, Labour and Welfare, Osaka City has 411 hotels with 61,090 guestrooms as at end-March 2018. This represents a 6.5% y-o-y increase in total rooms, with majority of the new openings classified as limited-service hotels, which are managed by domestic hotel operators.

Hotel rooms in Osaka City have been steadily increasing since 2012, rising at a CAGR of 4.9% with majority of new supply in Osaka being limited-service hotels.

3.8 Osaka Hotel Trading Performance

In 2018, market-wide RevPAR declined by 6.7% y-o-y to JPY13,746. This was due to the 3.9% y-o-y decline in ADR to JPY15,695 and the 2.5 pp decline in occupancy to 87.6% during the period. As at YTD June 2019, RevPAR declined by 4.0% y-o-y led by the decline in ADR of 3.4% y-o-y, whilst occupancy moderated slightly by 0.5 pp y-o-y to 86.9% in the same period.

3.9 Osaka Market Outlook

The increase in air connectivity at KIX, particularly from China, has greatly benefited Osaka through greater accessibility to the city’s key source market. In addition, the anticipated increase in accommodation demand arising from the Rugby World Cup from September to November 2019 is expected to provide some respite to hotel trading performance in the shorter-term. The ongoing development of the Nintendo-themed “Super Nintendo World” at Universal Studios Japan is also likely to further boost leisure demand.

Although new supply of full-service hotels is limited in Osaka, a large influx of limited-service hotel supply, which typically falls under the midscale and budget segment, is likely to have an impact on market-wide hotel trading performance.

In the long-term, with Osaka being the host city of the 2025 World Expo and slated to be selected as the city for Japan’s first integrated resort, there is great potential for the Osaka bay-area to be transformed, driving greater demand to the Osaka city. The 2025 World Expo alone is expected to draw approximately 28 million visitors during the six month period from 3 May to 3 November 2025, further supporting Osaka’s hotel trading performance in the longer-term.

4.0 South Korea Market Overview

4.1 Economic Indicators

Economic Indicators	2017	2018	2019F	2020F	2021F	2022F
Real GDP (% Growth)	3.2	2.7	2.0	2.2	2.6	2.6
Consumer Price Index (% Growth)	1.9	1.5	0.9	2.0	2.1	2.0
Unemployment Rate (%)	3.7	3.8	4.0	3.9	3.8	3.6
Foreign Direct Investments, inflows (KRW billions)	20,259.5	15,929.6	11,993.4	21,714.8	27,239.8	30,494.7

Source: Oxford Economics, July 2019

According to Oxford Economics as at July 2019, the growth in the South Korean economy is forecasted to soften in 2019, registering a 2.0% y-o-y expansion rate compared to 2.7% in the previous year. Manufacturing and export activities remained relatively weak in Q2 2019 amidst the US-China trade dispute, which affected trade sentiments globally. Uncertainties revolving around trade tariffs are likely to result in weak Chinese imports, which will impact South Korea's export volumes.

In July 2019, Japan began to restrict exports to South Korea of chemicals that are essential manufacturing components for the semiconductor industry. This is envisaged to put pressure on South Korea's industrial production and subsequently, a further strain on export volumes. Despite the weaker export outlook, unemployment rate is forecasted to remain relatively stable through 2022, albeit a slight increase to 4.0% in 2019. The resilient labour market and modest consumer spending in 1H 2019 are anticipated to provide some support to the economy.

4.2 South Korea Tourism Market Overview

International visitor arrivals to South Korea increased by around 15.1% y-o-y to 15.3 million in 2018, mainly driven by improving sentiments between North and South Korea, as well as the normalisation of political relations between South Korea and China. China (31.2%) accounted for the largest proportion of international visitors to the country, followed by Japan (19.2%) and Taiwan (7.3%). During the period, visitors from China rose by 14.9% y-o-y, whilst strong visitor growth was also registered from Vietnam (41.0%), Japan (28.6%) and Taiwan (20.5%).

Following a year of strong recovery in 2018, international visitor arrivals continued on an upward trend, increasing by 17.3% y-o-y as at YTD May 2019. The recovering demand from China and the opening of Terminal 2 at Incheon International Airport in 2018 were the two driving factors for international visitation growth.

4.3 Seoul Hotel Market Overview

According to the Korea Hotel Association ("KHA"), a total of 440 tourist hotels with 58,248 rooms were registered in Seoul as at end-2018. The majority of hotel room supply was in Jung-gu (22.0%), Gangnam-gu (15.5%), followed by Jongno-gu (9.3%), Yeongdeungpo-gu (6.6%) and Gangseo-gu (5.7%).

As at YTD June 2019, there were no major additions to supply to the Seoul hotel market. By end-2019, a total of 362 rooms will be added to the existing supply, consisting of two major internationally-branded hotels, namely the 241-room Andaz Gangnam Seoul and the 121-room ibis Budget Ambassador Seoul Gangnam.

More than 2,200 rooms are expected to open from 2H 2019, which translates to a CAGR of 1.0% over the three-year period from end-2019 to end-2022. Openings of internationally-branded hotels will remain relatively limited compared to other major gateway cities in Asia.

4.4 Seoul Hotel Trading Performance

Luxury and Upper Upscale Hotel Performance

In 2018, RevPAR increased y-o-y by 7.7% to KRW164,138 as a result of the y-o-y growth in both occupancy and ADR. Occupancy rose by 3.6 pp y-o-y to 71.0%, whilst ADR increased by 2.3% y-o-y to KRW231,117. RevPAR continued on an uptrend as at YTD June 2019, increasing by 3.1% y-o-y. This was on the back of the 2.2 pp increase in occupancy, which was supported by the continued recovery in visitor arrivals during the same period.

Midscale and Economy Hotel Performance

In 2018, RevPAR increased by 8.6% y-o-y to KRW75,076, with growth primarily driven by the 5.2 pp y-o-y increase in occupancy to 78.6%. During the same period, ADR increased by 1.4% y-o-y to KRW95,465. As at YTD June 2019, RevPAR increased by 3.0% y-o-y, led by the 4.2 pp y-o-y increase in occupancy, which was also mainly attributed to the increase in visitor arrivals during the period.

4.5 Seoul Market Outlook

With recovering demand from China and steady growth from other source markets, visitor arrivals to South Korea are expected to continue to grow and advance towards the previous peak registered in 2016. Hotel trading performance is expected to rebound across all segments in the second half of 2019.

Moreover, the Korean government's liberalisation of visa policies, expansion of new flight routes to key visitor source cities, as well as the ongoing and planned expansions of the Incheon Airport and Gimpo Airport respectively, are expected to further drive visitation in the medium- to longer-term. In combination with moderate new supply, this trend should continue to support Seoul's market-wide trading performance.

5.0 Australia Market Overview

5.1 Economic Indicators

Economic Indicators	2017	2018	2019F	2020F	2021F	2022F
Real GDP (% Growth)	2.4	2.8	1.7	2.5	2.9	2.9
Consumer Price Index (% Growth)	1.9	1.9	1.5	1.7	2.0	2.5
Unemployment Rate (%)	5.6	5.3	5.1	5.0	4.9	4.8
Foreign Direct Investments, inflows (AUD billions)	56.6	81.6	64.1	78.2	77.0	75.8

Source: Oxford Economics, July 2019

According to Oxford Economics as at July 2019, the Australia economy is forecasted to grow by 1.7% y-o-y in 2019 before picking up to 2.5% in 2020. Whilst trade surplus remained high, headwinds from weaker consumer spending is expected to dampen economic growth. Nevertheless, the Morrison government has secured minor party support to pass its income tax cut legislation through the parliament, which would potentially help to boost household income.

The labour market continues to perform well and unemployment rate is expected to decline gradually until 2022. This is despite the softer economic growth forecast in 2019 and weaker business and consumer confidence. Unlike the private sector, government spending has remained positive, increasing by 0.8% q-o-q in Q1 2019, with investments in ongoing transport projects in New South Wales, Victoria and Queensland expected to support economic growth in the medium-term.

5.2 Sydney Tourism Market Overview

Famous for its harbour, Sydney offers extensive shopping, entertainment and dining experiences, as well as numerous surf beaches within the wider metropolitan area. It boasts large domestic and international visitor segments being both Australia's primary corporate and MICE centre and a key leisure destination. This broad demand base will continue to underpin the city's hotel and tourism market in the coming years.

According to Tourism Research Australia ("TRA"), total visitor arrivals in the Sydney Tourism Region grew by 9.2% y-o-y to 15.2 million in 2018, with total domestic visitor arrivals increasing by 11.5% y-o-y to 11.1 million and international visitor arrivals increasing by 3.2% y-o-y to 4.1 million.

Sydney recorded 110.9 million visitor nights in 2018, an increase of 4.6% over the previous corresponding period. International visitor nights, which comprise 73.3% of all visitor nights in Sydney, experienced a 2.5% increase y-o-y to 81.3 million visitor nights in 2018. This was supported by growth in Sydney's largest source market, China, which recorded 6.5% y-o-y growth in visitor nights. Other major source markets include the United Kingdom (6.3% of international visitor nights) and South Korea (5.8% of international visitor nights).

Domestic visitor nights in Sydney totalled 29.6 million in 2018, an increase of 10.7% in comparison to the previous year. This robust growth in domestic visitor nights was attributed to the increase in business travel (25.3%) and leisure travel (12.2%). The largest domestic source

markets to Sydney were New South Wales (32.9% of domestic visitor nights), Melbourne (17.4% of domestic visitor nights) and Brisbane (10.4% of domestic visitor nights).

As at YTD March 2019, the positive trend continued with total visitor arrivals increasing by 8.0% y-o-y to 3.9 million, and total visitor nights increasing by 7.5% y-o-y to 34.9 million. The growth was driven by the strong domestic demand, which registered a 13.0% and 19.2% y-o-y increase in visitor arrivals and visitor nights, respectively. On the other hand, international visitor arrivals declined by 2.3% y-o-y as at YTD March 2019, although visitor nights rose by 4.1% y-o-y during the same period. Visitor nights' growth was supported by the increase visitor nights from China, which rose by 7.2% y-o-y and accounted for approximately 31% of the total international visitor nights.

5.3 Sydney Hotel Market Overview

According to STR, there was an average of 21,162 short-term accommodation rooms available as at end-2018 in Sydney City. As at YTD June 2019, we note only one hotel addition to the existing supply, namely the 90-room Sydney Hotel QVB, which commenced operations in March 2019.

The Sydney City predominantly comprises upper upscale or 4.5-star rated hotels (31.6%), whilst the remainder of the participating hotels are largely positioned as upscale or 4-star rated (20.2%), upper midscale or 3.5-star rated (17.5%) or midscale or 3.0-star rated (15.8%). Approximately 63.2% of the hotels within the Sydney City market are therefore positioned as 4- to 5-star-rated.

As at Q2 2019, we are aware of 11 properties currently under construction in Sydney City, which once completed, will result in a net increase of 2,381 rooms or around 11% on existing stock. From end-2019 to end-2022, we anticipate that room stock will increase at a CAGR of 2.9%.

5.4 Sydney Hotel Trading Performance

In 2018, market-wide RevPAR registered a 0.6% y-o-y decline to AUD231. This was due to the 1.1 pp y-o-y decline in occupancy to 87.6%, albeit ADR rising by 0.6% y-o-y to AUD263 during the same period. Even though the increase in overall visitor nights remained positive, the new hotel supply in 2018 outpaced the increase in demand, resulting in a 5.5% y-o-y decline in RevPAR as at YTD June 2019.

5.5 Sydney Market Outlook

Despite the market softness in 2018 and as at YTD June 2019, we anticipate that the market will pick up modestly over the medium-term due to relatively limited supply increases and the city's gateway status. The Australian dollar is also currently relatively low compared to more recent years, which should fuel an uptick in international visitation to Australia's gateway city.

Construction of Stage 1 of Sydney's second airport at Badgerys Creek, Western Sydney International Airport, commenced in September 2018. Slated to complete by December 2026, the airport is expected to boost visitation growth to the city in the medium- to longer-term. Moreover, we also note that preliminary works are underway and plans are being drafted for a

proposed rail link. In addition, several major projects are under construction and proposed in the Sydney CBD, which will increase accessibility and appeal of the city as a tourist destination, including the CBD & South East Light Rail, Sydney Metro and the Central Park and Green Square redevelopment.

5.6 Melbourne Tourism Market Overview

Melbourne is an internationally recognised tourism destination, which boasts world-class infrastructure that consistently attracts a large number of domestic and international visitors annually. Total visitor nights to the Melbourne Tourism Region grew by 11.5% y-o-y to 92.6 million in 2018 and continued on an uptrend as at YTD March 2019, increasing by 1.7% y-o-y.

International visitor arrivals to Melbourne totalled 2.9 million in 2018, representing an increase of 5.8% y-o-y. International visitor nights also increased by 12.4% to 64.7 million visitors over the same period, a continuation of the upward trend, which has been evident since 2008. The largest source market to Melbourne is China, which accounted for almost 30% of total visitor nights in 2018. As at YTD March 2019, international visitor arrivals increased by 4.6%, while international visitor nights decreased by 6.0% when compared to the same period the previous year, predominantly as a result of the decline in Chinese visitor nights in Melbourne.

Domestic visitor arrivals to Melbourne totalled 10.0 million in 2018, representing an increase of 7.7% y-o-y, whilst domestic visitor nights also increased by 9.5% to 27.9 million over the same period. The largest source markets are regional Victoria and Sydney which accounted for 23.3% and 21.8% of total domestic visitor nights in 2018, respectively. As at YTD March 2019, domestic visitor arrivals rose by 32.6% y-o-y to 2.9 million, whilst domestic visitor nights also grew strongly by 28.1% y-o-y to 8.1 million during the same period. This was predominately driven by visiting friends and relatives, which recorded an increase of 48.9% when compared to the same period the previous year.

5.7 Melbourne Hotel Market Overview

According to STR, there were 22,113 short-term accommodation rooms at end-2018 in Melbourne City. As at YTD June 2019, we are aware of four new hotel openings comprising 492 rooms in the Melbourne City market, representing a 2.2% increase on the existing supply as at end-2018. These include the 221-room Quest New Quay Docklands; 104-room Quest St Kilda Road; 97-room Zagame's House; and the 70-room Shadowplay by Peppers Southbank.

The Melbourne City area is dominated by the upscale segment or 4-star rated hotels and serviced apartments, which represent 40.4% of the total supply basket. The remainder of the participating hotels are largely positioned in the midscale or 3.5 star (24.7%) and upper upscale segment or 4.5 star (17.1%).

As at Q2 2019, we are aware of 22 properties which are currently under construction in Melbourne City. Once completed, these hotels will add 5,085 rooms or 22.5% on the existing stock from 2H 2019 to 2022. Supply in Melbourne City is expected to increase at a CAGR of 5.0% over the three-year period from end-2019 to end-2022.

5.8 Melbourne Hotel Trading Performance

In 2018, market-wide RevPAR rose by 0.4% y-o-y to AUD167 on the back of the 0.8% y-o-y increase in ADR to AUD198, whilst occupancy declined slightly by 0.3 pp to 84.5%. As at YTD June 2019, RevPAR declined by 0.6% y-o-y led by the 0.7 pp decline in occupancy. Whilst overall visitor nights rose during the period, it was mainly driven by the growth in domestic travellers to Melbourne for the purpose of visiting friends and relatives, who were more likely to source for alternative accommodation options (i.e. staying with friends or family).

5.9 Melbourne Market Outlook

Major events in Melbourne in 2019 are expected to be demand drivers for visitation growth, including the Melbourne International Comedy Festival (April), Next Wave Festival (May), Human Rights Arts & Film Festival (May), and the Melbourne International Jazz Festival (June). Melbourne will also host a range of major theatre productions through the year such as the Harry Potter & the Cursed Child.

The Victorian Government continues to invest in infrastructure and has granted construction approval for the Melbourne Airport Link. Construction is set to commence in 2022 and will connect Melbourne Airport to all metropolitan and regional rail lines via the new route, further improving business and travel tourism infrastructure for Melbourne.

Melbourne's positive trading performance over the years has gained the attention of a wide spectrum of domestic and international developers, investors and operators. As a result, the market now has an active supply pipeline. The envisaged influx of accommodation supply in Melbourne is anticipated to have an impact on the market over the medium-term, as downward pressure on occupancy is expected. Nevertheless, the market should maintain a core level of demand growth as Melbourne is a major corporate and leisure market in Australia. Thus, the market is expected to ultimately absorb the supply and return to historic levels over the longer-term.

5.10 Brisbane Tourism Market Overview

Brisbane's new lifestyle and luxury positioned hotels entering the market in 2018, spread across CBD, South Bank and Fortitude Valley locations, greatly contributed to Brisbane's underlying appeal as a destination for both leisure and corporate tourism markets. Total visitor nights in the Brisbane Tourism Region increased by 8.0% y-o-y to 50.6 million in 2018. This was supported by growth in total visitor arrivals, which increased by 7.9% y-o-y to 8.9 million during the same period.

International visitor arrivals to Brisbane totalled 1.4 million in 2018, representing an increase of 6.3% y-o-y. International visitor nights also grew by 9.7% to 28.7 million over the same period. The largest source market to Brisbane was China, which registered a 35.8% y-o-y increase in visitor nights. Other source markets which reported growth over the same period included Taiwan (26.5%), New Zealand (6.7%) and the US (6.3%).

Domestic visitor arrivals to Brisbane totalled 7.5 million in 2018, representing an increase of 8.2% y-o-y, whilst domestic visitor nights rose by 5.8% to 21.9 million visitor nights during the same period. The largest source market to Brisbane was regional Queensland, which contributed 36.6% of the visitor nights.

As at YTD March 2019, total visitor arrivals rose by 11.6% y-o-y led by the 13.5% y-o-y growth in domestic visitors, as well as the 3.0% y-o-y increase in international visitors. Despite the increase in visitor arrivals, total visitor nights declined by 4.9% y-o-y as at YTD March 2019, mainly due to the 12.4% y-o-y decline in international visitor nights, which predominantly reflected the decline in Chinese visitor nights in Brisbane. On the other hand, domestic demand remained strong, with visitor nights increasing by 7.9% during the same period.

5.11 Brisbane Hotel Market Overview

As at December 2018, there were 98 establishments with 12,140 accommodation rooms in Brisbane, according to STR. The Brisbane City is dominated by the upscale segment or 4-star rated hotels and serviced apartments, which represents 52.1% of the total existing hotel establishments. The remainder of the participating hotels are largely positioned in the upper upscale segment or 4.5-star (19.8%) and upper midscale segment or 3.5-star (13.5%).

As at June 2019, we are aware of four properties which are currently under construction in Brisbane City from 2H 2019 to 2022. Upon completion, these will add 845 rooms to the existing supply. Room supply in Brisbane City is expected to increase at a CAGR of 2.2% over the period to end-2022.

5.12 Brisbane Hotel Trading Performance

There was a slight moderation in the Brisbane accommodation market in 2018 amidst the influx of new hotel supply. RevPAR moderated by 2.3% y-o-y to AUD116, as a result of a y-o-y decrease in occupancy of 0.5 pp to 74.0% and a contraction in ADR of 1.6% y-o-y to AUD156. As at YTD June 2019, market-wide trading performance registered an uplift, with RevPAR increasing by 0.6% y-o-y led by the growth in ADR, as the market gradually absorbs the new supply.

5.13 Brisbane Market Outlook

Future trading performance will likely remain conditional on a sustained recovery in the corporate and conference/events segments, as well as growth across the leisure markets. It is anticipated at this stage that demand growth will be progressive and spread over the medium- to long-term. This growth is likely to be enhanced by notable infrastructure and tourism amenities within Brisbane's City centre. These include the opening of Howard Smith Wharves in late-2018; the mega cruise ship terminal, which began construction in late-2018 and; the development of an integrated resort over state-owned land at Queen's Wharf Brisbane by 2024.

Visitation to Brisbane is expected to be further supported by upcoming projects such as the proposed AUD2.0 billion 'Brisbane live' precinct to be located above the Roma Street rail network, and a range of major musical theatre productions through the year, including The Book of Mormon and The School of Rock.

In addition, the upcoming completion of the second runway at Brisbane Airport, as well as the construction of a new industrial park and Auto Mall and performance track within the vicinity of the airport, are expected to improve airlift to/from the city and South East Queensland. This is likely to benefit leisure and business visitation, strategically positioning Brisbane as the gateway for core commercial, and logistical activities and distribution.

Limiting Conditions

1. This market report ("Report") contains forward-looking statements that are provided as JLL's beliefs, expectations, forecasts or predictions for the future. All such statements relating to future matters are based on the information known to JLL at the date of preparing this document. We stress that such statements should be treated as an indicative estimation of possibilities rather than absolute certainties. The forecast process involves assumptions about a substantial number of variables, which are highly responsive to changing conditions. Variations of any one of the variables may significantly affect outcomes and JLL draws your attention to this. Therefore, JLL cannot assure that the forecasts outlined in this Report will be achieved or that such forward-looking statements outlined in this Report will prove to be correct. Interested parties must be cautioned not to place undue reliance on such statements.
2. Where as a result of new available information, future events or otherwise, JLL undertakes no obligation to publicly update or revise any forward-looking statements contained in this Report, except as required by law. All forward-looking statements contained in this Report are qualified by reference to this cautionary statement.
3. JLL has relied upon external third-party information in producing this Report, including the forward-looking statements. We want to draw your attention that there is no independent verification of any of the external party documents or information referred to herein. This Report is limited to the matters stated in it and no opinion is implied or may be inferred beyond the matters expressly stated herein. The information in the Report should be regarded solely as a general guide. Whilst care has been taken in its preparation, no representation is made or responsibility is accepted for the accuracy of the whole or any part.
4. The opinions expressed in this Report are subject to changes and therefore does not constitute, nor constitute part of, and offer or a contract.

Disclaimer

1. Save for liability which cannot be excluded by law, JLL and its respective businesses, directors, officers, employees, consultants, lenders, agents or advisors do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Report, and do not accept in relation to any person who is issued with, comes into possession, or relies on the composite document containing this Report (as referred to in paragraph 1.3 of this Report):
 - (a) any responsibility arising in any way for any errors in or omissions from the information, or for any lack of truth, accuracy, completeness, currency or reliability of the information;
 - (b) any responsibility for any interpretation that the recipient of the information or any other person may place on the information, or for any opinion or conclusion that the recipient of the information or any other person may form as a result of examining the information; and
 - (c) any liability (whether direct or indirect or consequential) for any loss, damage, cost, expense, outgoing, interest, loss of profits or loss of any kind ("Losses") suffered or incurred by any person (whether foreseeable or not) as a result of or by reason of or in connection with the provision or use of the information, or you, your representatives or advisers acting on or relying on any information, whether the Losses arise in connection with any negligence, default or lack of care on the part of JLL or any other cause.
2. The information is not based on any actual or implied knowledge or consideration of the investment objectives, financial situation, legal or taxation position or any other needs or requirements of the recipient of the information and should not be construed in any way as a recommendation to approve, participate in or subscribe to any investments.
3. Any forecasts included in the information or any other written or oral forecasts of JLL made available to you or your representative are not to be taken to be representations as to future matters. These forecasts are based on a large number of assumptions and are subject to significant uncertainties, vagaries and contingencies, some, if not all, of which are outside of the control of JLL.
4. No representation is made that any forecast will be achieved. Actual future events may vary significantly from forecasts. You should make and must rely on your own business judgment, enquiries and investigations regarding the assumptions, uncertainties and contingencies included in the information.
5. For the avoidance of doubt, the information in the Report is based on data reasonably available to JLL as at the time of its publishing unless otherwise specified.
6. JLL is not providing investment advisory services in issuing this Report and makes no representation or recommendation to any prospective investor.

Acceptance or use of the information will be taken to be acceptance by you that you will be relying on your own independent judgment, enquiries, investigations and advice.

JLL

Prepared By

Jones Lang LaSalle | Hotels & Hospitality Group
Jones Lang LaSalle Property Consultants Pte Ltd
CEA Licence No. L3007326E
9 Raffles Place
#39-00 Republic Plaza
Singapore 048619

Prepared For

DBS Trustee Limited (as trustee of Ascott Residence Trust)

www.ap.jll.com

Jones Lang LaSalle

© 2019 Jones Lang LaSalle IP, Inc. All rights reserved. The information contained in this document is proprietary to Jones Lang LaSalle and shall be used solely for the purposes of evaluating this proposal. All such documentation and information remains the property of Jones Lang LaSalle and shall be kept confidential. Reproduction of any part of this document is authorized only to the extent necessary for its evaluation. It is not to be shown to any third party without the prior written authorization of Jones Lang LaSalle. All information contained herein is from sources deemed reliable; however, no representation or warranty is made as to the accuracy thereof.

This page has been intentionally left blank.

APPENDIX L: TAXATION

The following summary of certain Singapore income tax consequences of the ownership and disposition of the Ascott Reit-BT Stapled Units is based on current income tax laws, regulations, rulings, administrative guidelines issued by the Singapore tax authorities and decisions now in effect as at the Latest Practicable Date, all of which are subject to change (possibly with retroactive effect). This summary is also based on relevant budget measures announced in the 2019 Singapore Budget which have yet to be enacted as laws.

The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to own or dispose of the Ascott Reit-BT Stapled Units and does not purport to deal with the consequences of application to all categories of investors, some of which may be subject to special rules. The summary also does not provide an overview of the taxation of Ascott Reit-BT Stapled Unitholders in any country outside Singapore.

The summary does not constitute tax advice. Investors should consult their own tax advisers concerning the application of Singapore tax laws to their particular situations as well as any consequences of the ownership and disposition of the Ascott Reit-BT Stapled Units arising under the laws of any other tax jurisdiction.

Taxation of Ascott Reit-BT Stapled Unitholders

For Singapore income tax purposes, the components making up Ascott Reit-BT Stapled Units are recognised separately, i.e. as a unit in Ascott Reit and a unit in Ascott BT. Accordingly, distributions from the Combined Entity are recognised separately as distributions from Ascott Reit and distributions from Ascott BT for purposes of determining the applicable Singapore tax treatment.

Ascott Reit Distributions

Distributions from Ascott Reit may comprise all, or a combination, of the following types of distributions:

- (a) taxable income;
- (b) tax-exempt income;
- (c) capital; and
- (d) other gains.

The tax treatment of each type of distribution differs and may depend on the profile of the beneficial owner of the distributions. The statements below provide a summary of the tax treatment.

Taxable income distribution

Taxable income distribution refers to distributions made by Ascott Reit out of its income which is not assessed to tax on the Ascott Reit Trustee, i.e., income which qualifies for tax transparency treatment. Such income includes rental income or income from the management or holding of Ascott Reit's immovable property in Singapore (but excluding gains from the disposal of such immovable property).

Withholding tax

Ascott Reit Trustee and Ascott Reit Manager are required to withhold or deduct income tax from taxable income distributions unless such distributions are made to a Ascott Reit-BT Stapled Unitholder who is an individual holding the Ascott Reit-BT Stapled Units either in his/her sole name or jointly with other individuals or a Qualifying Unitholder who submits a declaration in a prescribed form within a stipulated time limit.

An Ascott Reit-BT Stapled Unitholder is a Qualifying Unitholder if it is:

- (a) a company incorporated and resident in Singapore;
- (b) a Singapore branch of a non-tax resident company incorporated outside Singapore;
- (c) a body of persons (excluding companies or partnership) incorporated or registered in Singapore, including a charity registered under the Charities Act (Chapter 37 of Singapore) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Chapter 62 of Singapore) or a trade union registered under the Trade Unions Act (Chapter 333 of Singapore);
- (d) an international organisation that is exempt from tax by reason of an order made under the International Organisations (Immunities and Privileges) Act (Chapter 145 of Singapore); or
- (e) a real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment (but only in respect of taxable income distributions made by Ascott Reit on or before 31 December 2025).

In all other cases, the Ascott Reit Trustee and Ascott Reit Manager will withhold or deduct tax, currently at the rate of 17%, from taxable income distributions. This rate is reduced to 10% for distributions made on or before 31 December 2025 to Ascott Reit-BT Stapled Unitholders who are foreign non-individual investors or foreign funds.

A foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and:

- (a) who does not have any permanent establishment in Singapore; or
- (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire the units in a REIT (in the current context, the Ascott Reit Units or Ascott Reit-BT Stapled Units, as the case maybe) are not obtained from that operation.

A foreign fund is one that qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act (Chapter 134 of Singapore) that is not a resident of Singapore for income tax purposes and:

- (a) who does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- (b) who carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units in a REIT (in the current context, the Ascott Reit Units or Ascott Reit-BT Stapled Unit, as the case maybe) are not obtained from that operation.

Where the Ascott Reit-BT Stapled Units are held in the name of a nominee, the Ascott Reit Trustee and Ascott Reit Manager will withhold or deduct tax, currently at the rate of 17%, unless the beneficial owner of the Ascott Reit-BT Stapled Units is an individual or a Qualifying Unitholder and provided that the nominee submits a declaration (containing certain particulars of the beneficial owner) in a prescribed form within a stipulated time limit to the Ascott Reit Trustee and Ascott Reit Manager. Where the beneficial owner is a foreign non-individual or a foreign fund as described above and provided the aforesaid declaration is submitted by the nominee, tax will be withheld or deducted at the rate of 10% for distributions made on or before 31 December 2025.

Tax deducted at source on taxable income distributions

The tax deducted at the prevailing tax rate, currently 17%, by the Ascott Reit Trustee and Ascott Reit Manager is not a final tax. Ascott Reit-BT Stapled Unitholder can use this tax deducted as a set-off against its Singapore income tax liability, including its tax liability on the gross amount of taxable income distributions received on its Ascott Reit-BT Stapled Units.

The tax deducted at the reduced rate of 10% on taxable income distributions made on or before 31 December 2025 to foreign non-individuals and foreign funds is a final tax imposed on the gross amount of distributions.

Taxation in the hands of Ascott Reit-BT Stapled Unitholders

Unless otherwise exempt, Ascott Reit-BT Stapled Unitholders are liable to Singapore income tax on the gross amount of taxable income distributions (i.e. the amount of distribution before tax deduction at source, if any) received on its Ascott Reit-BT Stapled Units.

Taxable income distributions received by individuals, irrespective of their nationality or tax residence status, are exempt from tax unless such distributions are derived by the individual through a partnership in Singapore or from the carrying on of a trade, business or profession. Individuals who do not qualify for this tax exemption are subject to Singapore income tax on the gross amount of taxable income distributions at their own applicable tax rates, i.e. even if they have received the distributions without tax deduction at source.

Unless exempt from income tax because of their own specific circumstances, Ascott Reit-BT Stapled Unitholders who are Qualifying Unitholders are subject to Singapore income tax on the gross amount of taxable income distributions, i.e. even if they have received the distributions without tax deduction at source.

Other non-individual Ascott Reit-BT Stapled Unitholders are subject to Singapore income tax on the gross amount of taxable income distributions at their own applicable tax rates. Where the Ascott Reit-BT Stapled Unitholder is a foreign non-individual or a foreign fund, tax at a reduced rate of 10% will be imposed on taxable income distribution made on or before 31 December 2025.

Tax-exempt income distribution

Distributions of Ascott Reit's tax-exempt income are exempt from tax in the hands of all Ascott Reit-BT Stapled Unitholders. Tax is not withheld or deducted from such distributions.

Capital distribution

Capital distributions are treated as returns of capital to Ascott Reit-BT Stapled Unitholders to the extent the aggregate amount of capital distributions made does not exceed the capital of Ascott Reit and are therefore not income subject to tax or withholding of tax. The amount received as capital distributions will be applied to reduce the cost of Ascott Reit-BT Stapled Unitholder's investment in Ascott Reit-BT Stapled Units for income tax purposes. Where Ascott Reit-BT Stapled Unitholders, based on their own circumstances, are subject to Singapore income tax on gains from the disposal of Ascott Reit-BT Stapled Units, the reduced cost of their investments will be used for the purposes of computing such gains.

Other gains distribution

Other gains distributions (such as distributions made out of income which has been taxed on the Ascott Reit Trustee and gains from the disposal of immovable properties or shares which are determined to be trading gains) are not taxable in the hands of Ascott Reit-BT Stapled Unitholders and are not subject to withholding of tax. Ascott Reit-BT Stapled Unitholders are not entitled to tax credits for any taxes paid by the Ascott Reit Trustee on income which has been taxed on the Ascott Reit Trustee.

Ascott BT Distributions

Distributions made by Ascott BT are exempt from Singapore income tax in the hands of all Ascott Reit-BT Stapled Unitholders. These distributions are also not subject to Singapore withholding tax. Ascott Reit-BT Stapled Unitholders are not entitled to tax credits for any taxes paid by Ascott BT Trustee-Manager on the income of Ascott BT.

Disposal of Ascott Reit-BT Stapled Units

Singapore does not impose tax on capital gains. Any gains considered to be in the nature of capital arising from the sale of Ascott Reit-BT Stapled Units will not be taxable in Singapore. However, any gains derived by any person from the sale of Ascott Reit-BT Stapled Units which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from the sale of Ascott Reit-BT Stapled Units will depend on the individual facts and circumstances of Ascott Reit-BT Stapled Unitholders.

Investors who have adopted or are adopting the Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) or Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”) may, for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on Ascott Reit-BT Stapled Units, irrespective of disposal, in accordance with FRS 39 or FRS 109.

Investors should consult their own accounting and tax advisers regarding the Singapore income tax consequences arising from the adoption for FRS 39 or FRS 109 on their investment in Ascott Reit-BT Stapled Units.

APPENDIX M: NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of Ascott Residence Trust (“**Ascott Reit**”) will be held on 21 October 2019 at 10.00 a.m. at Raffles City Convention Centre, Padang/Collyer Ballroom, Level 4, 2 Stamford Road, Singapore 178882, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions. Unless otherwise defined herein, capitalised words shall have the same meanings ascribed to them in the composite document dated 26 September 2019 (the “**Composite Document**”).

1. PROPOSED ASCOTT REIT SCHEME AMENDMENTS (EXTRAORDINARY RESOLUTION)

That:

- (i) approval be and is hereby given to amend the Ascott Reit Trust Deed to include the Proposed Ascott Reit Scheme Amendments as described and set out in **Appendix E** to the Composite Document; and
- (ii) the Ascott Reit Manager, any director of the Ascott Reit Manager and the Ascott 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 Ascott Reit Manager, such director of the Ascott Reit Manager or, as the case may be, the Ascott Reit Trustee may consider expedient or necessary or in the interests of the Ascott Reit to give effect to the Proposed Ascott Reit Scheme Amendments.

2. PROPOSED ASCOTT REIT ACQUISITION (ORDINARY RESOLUTION)

That subject to and contingent upon the passing of Resolution 1 and the Ascott Reit Scheme Resolution:

- (i) approval be and is hereby given for the Ascott Reit Acquisition on the terms and conditions set out in the Scheme Implementation Agreement;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the Ascott Reit Acquisition; and
- (iii) the Ascott Reit Manager, any director of the Ascott Reit Manager and the Ascott 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 Ascott Reit Manager, such director of the Ascott Reit Manager or, as the case may be, the Ascott Reit Trustee may consider expedient or necessary or in the interests of the Ascott Reit to give effect to the Ascott Reit Acquisition.

3. PROPOSED ISSUANCE OF THE CONSIDERATION UNITS (ORDINARY RESOLUTION)

That subject to and contingent upon the passing of Resolution 1, Resolution 2 and the Ascott Reit Scheme Resolution:

- (i) (a) approval be and is hereby given for the Ascott Reit Manager to issue, in the manner described in the Composite Document, new Ascott Reit Units on an unstapled basis to the A-HTRUST Stapled Unitholders as part of the consideration for the acquisition of the A-HTRUST REIT Units comprised in their A-HTRUST Stapled Units pursuant to the A-HTRUST Scheme; and

- (b) approval be and is hereby given for the Ascott BT Trustee-Manager to issue, in the manner described in the Composite Document, new Ascott BT Units on an unstapled basis to the A-HTRUST Stapled Unitholders as part of the consideration for the acquisition of the A-HTRUST BT Units comprised in their A-HTRUST Stapled Units pursuant to the A-HTRUST Scheme,

on terms that immediately after such issuance and receipt thereof by such A-HTRUST Stapled Unitholders, each such new Ascott Reit Unit will be stapled with one Ascott BT Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed; and

- (ii) the Ascott Reit Manager, any director of the Ascott Reit Manager, the Ascott Reit Trustee, the Ascott BT Trustee-Manager and any director of the Ascott BT-Trustee-Manager 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 Ascott Reit Manager, such director of the Ascott Reit Manager, the Ascott Reit Trustee, the Ascott BT Trustee-Manager or such director of the Ascott BT-Trustee-Manager may consider expedient or necessary or in the interests of Ascott Reit or Ascott BT to give effect to the allotment and issuance of the Consideration Units.

4. GENERAL MANDATE FOR THE ISSUANCE OF NEW ASCOTT REIT-BT STAPLED UNITS (ORDINARY RESOLUTION)

That subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 3 and the Ascott Reit Scheme Resolution, authority be and is hereby given to the Ascott Reit Manager and the Ascott BT Trustee-Manager to:

- (i) (a) issue new Ascott Reit-BT Stapled Units whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Ascott Reit-BT Stapled Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Ascott Reit-BT Stapled Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Ascott Reit Manager and the Ascott BT Trustee-Manager may in their absolute discretion deem fit; and

- (ii) issue Ascott Reit-BT Stapled Units in pursuance of any Instrument made or granted by the Ascott Reit Manager and the Ascott BT Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time that such Ascott Reit-BT Stapled Units are issued),

provided that:

- (1) the aggregate number of Ascott Reit-BT Stapled Units to be issued following the completion of the Combination (including Ascott Reit-BT Stapled Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Ascott Reit-BT Stapled Units (excluding treasury Ascott Reit Units and treasury Ascott BT Units, if any) as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Ascott Reit-BT Stapled Units to be issued other than on a *pro rata* basis to Ascott Reit-BT Stapled Unitholders shall not exceed twenty per cent (20%) of the total number of issued Ascott Reit-BT Stapled Units (excluding treasury Ascott Reit Units and treasury Ascott BT Units, if any) as calculated in accordance with sub-paragraph (2) below;

- (2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Ascott Reit-BT Stapled Units that may be issued under sub-paragraph (1) above, the total number of issued Ascott Reit-BT Stapled Units (excluding treasury Ascott Reit Units and treasury Ascott BT Units, if any) shall be based on the number of issued Ascott Reit-BT Stapled Units (excluding treasury Ascott Reit Units and treasury Ascott BT Units, if any) immediately following the completion of the Combination, after adjusting for:
 - (a) any new Ascott Reit-BT Stapled Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Ascott Reit-BT Stapled Units;
- (3) in exercising the authority conferred by this Resolution, the Ascott Reit Manager and the Ascott BT Trustee-Manager shall each comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the BTA for the time being in force and the Ascott Reit Trust Deed, the Ascott BT Trust Deed and the Ascott Reit-BT Stapling Deed for the time being in force (in each case, unless otherwise exempted or waived by the MAS);
- (4) unless revoked or varied by the Ascott Reit-BT Stapled Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of the Combined Entity or (ii) the date by which the next annual general meeting of the Combined Entity is required by law to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Ascott Reit-BT Stapled Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Ascott Reit Manager and the Ascott BT Trustee-Manager are authorised to issue additional Instruments or Ascott Reit-BT Stapled Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments are issued; and
- (6) the Ascott Reit Manager, the Ascott Reit Trustee and the Ascott BT Trustee-Manager 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 Ascott Reit Manager, the Ascott Reit Trustee or, as the case may be, the Ascott BT Trustee-Manager may consider expedient or necessary or in the interest of Ascott Reit or Ascott BT to give effect to the authority conferred by this Resolution.

5. PROPOSED UNIT ISSUE PRICE AMENDMENT (EXTRAORDINARY RESOLUTION)

That:

- (i) approval be and is hereby given to amend the Ascott Reit Trust Deed to include the Proposed Unit Issue Price Amendment as described and set out in **Appendix I** to the Composite Document; and
- (ii) the Ascott Reit Manager, any director of the Ascott Reit Manager and the Ascott 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 Ascott Reit Manager, such director of the Ascott Reit Manager or, as the case may be, the Ascott Reit Trustee may consider expedient or necessary or in the interests of the Ascott Reit to give effect to the Proposed Unit Issue Price Amendment.

BY ORDER OF THE BOARD

Ascott Residence Trust Management Limited
(as manager of Ascott Residence Trust)
(Company Registration No. 200516209Z)

Mr. Tan Beng Hai, Bob
Chairman

26 September 2019

Important Notice:

- (1) Ascott Reit Unitholders may obtain copies of the Composite Document and any related documents during normal business hours and up to the date of the EGM from the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.
- (2) A form of proxy applicable for the EGM (the “**Proxy Form**”) is enclosed with the Composite Document, of which this Notice forms part.
- (3) Each Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be either executed under its common seal or signed by its officer or attorney so authorised.
- (4) A corporation, being an Ascott Reit Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the EGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- (5) An Ascott Reit Unitholder (who is not a relevant intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. Where such Ascott Reit Unitholder’s Proxy Form appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the Proxy Form.
- (6) A proxy need not be an Ascott Reit Unitholder.
- (7) The Proxy Form must be lodged at the Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the EGM.
- (8) An Ascott Reit Unitholder who is a relevant intermediary entitled to attend, speak and vote at the EGM 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 Ascott Reit Unit or Ascott Reit Units held by such Ascott Reit Unitholder. Where the Ascott Reit Unitholder’s Proxy Form appoints more than two proxies, the number of Ascott Reit Units in relation to which each proxy has been appointed shall be specified in the Proxy Form.

A “**relevant intermediary**” is:

- (a) a banking corporation licenced under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Ascott Reit Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds Ascott Reit Units in that capacity; or
 - (c) the CPF Board (the “**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Ascott Reit Units 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 Ascott Reit Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (9) This notice is not an offer of securities for sale into the United States. The Consideration Units have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Consideration Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of Ascott Reit in the United States would be made by means of a prospectus that would contain detailed information about Ascott Reit and the Ascott Reit Manager, as well as financial statements. The Ascott Reit Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and any adjournment thereof, an Ascott Reit Unitholder (i) consents to the collection, use and disclosure of the Ascott Reit Unitholder’s personal data by the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) for the purpose of the processing and administration by the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Ascott Reit Unitholder discloses the personal data of the Ascott Reit Unitholder’s proxy(ies) and/or representative(s) to the Ascott Reit Manager and the Ascott Reit Trustee (or their agents), the Ascott Reit Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Ascott Reit Unitholder will indemnify the Ascott Reit Manager and the Ascott Reit Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Ascott Reit Unitholder’s breach of warranty.

This page has been intentionally left blank.

APPENDIX N: NOTICE OF ASCOTT REIT SCHEME MEETING

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 1126/2019

In the Matter of Order 80 of the Rules of Court (Cap. 322, R5, 2014 Rev Ed)

And

In the Matter of Ascott Residence Trust (a real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore) and Ascott Business Trust (a business trust constituted under the laws of the Republic of Singapore)

1. DBS TRUSTEE LIMITED (Singapore UEN No. 197502043G) (in its capacity as trustee of Ascott Residence Trust)
2. ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED (Singapore UEN No. 200516209Z) (in its capacity as manager of Ascott Residence Trust)
3. ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD. (Singapore UEN No. 201925299R) (in its capacity as intended trustee-manager of Ascott Business Trust)

... Applicants

TRUST SCHEME OF ARRANGEMENT

Between

DBS Trustee Limited

(in its capacity as trustee of Ascott Residence Trust)

And

Ascott Residence Trust Management Limited

(in its capacity as manager of Ascott Residence Trust)

And

Ascott Business Trust Management Pte. Ltd.

(in its capacity as intended trustee-manager of Ascott Business Trust)

And

Ascott Reit Scheme Unitholders

NOTICE OF ASCOTT REIT SCHEME MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the Court has directed an Ascott Reit Scheme Meeting of Ascott Reit Unitholders to be convened and such Ascott Reit Scheme Meeting shall be held at Raffles City Convention Centre, Padang/Collyer Ballroom, Level 4, 2 Stamford Road, Singapore 178882 on Monday, 21 October 2019 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the EGM to be held at 10.00 a.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, approving the following resolution. Unless otherwise defined herein, capitalised words shall have the same meanings ascribed to them in the composite document dated 26 September 2019 (the “**Composite Document**”).

THE TRUST SCHEME RESOLUTION

RESOLVED THAT subject to and contingent upon the passing of Resolution 1 at the EGM:

- (a) the trust scheme of arrangement for Ascott Reit dated 26 September 2019, a copy of which has been circulated with the Notice convening the Ascott Reit Scheme Meeting, to effect:
 - (i) the distribution *in specie* of the Ascott BT Units to the Ascott Reit Unitholders as at the Ascott Reit Scheme Entitlement Date; and
 - (ii) the stapling of each Ascott Reit Unit to one Ascott BT Unit so as to form one Ascott Reit-BT Stapled Unit in accordance with the Ascott Reit-BT Stapling Deed,(the “**Ascott Reit Scheme**”) be and is hereby approved; and
- (b) the Ascott Reit Manager, any director of the Ascott Reit Manager, the Ascott Reit Trustee, the Ascott BT Trustee-Manager and any director of the Ascott BT Trustee-Manager are hereby severally authorised to complete and do all such acts and things (including executing all such documents) as the Ascott Reit Manager, such director of the Ascott Reit Manager, the Ascott Reit Trustee, the Ascott BT Trustee-Manager and such director of the Ascott BT Trustee-Manager may consider expedient or necessary or in the interests of Ascott Reit or Ascott BT to give effect to the Ascott Reit Scheme.

Important Notice:

1. A copy of the Ascott Reit Scheme is incorporated in the Composite Document of which this Notice forms part.
2. Ascott Reit Unitholders may obtain copies of the Composite Document and any related documents during normal business hours and up to the date of the Ascott Reit Scheme Meeting from the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.
3. A form of proxy applicable for the Ascott Reit Scheme Meeting (the “**Proxy Form (Ascott Reit Scheme Meeting)**”) is enclosed with the Composite Document, of which this Notice forms part.
4. Each Proxy Form (Ascott Reit Scheme Meeting) must be signed by the appointor or his attorney duly authorised in writing. Where a Proxy Form (Ascott Reit Scheme Meeting) is executed by a corporation, it must be either executed under its common seal or signed by its officer or attorney so authorised.
5. A corporation, being an Ascott Reit Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Ascott Reit Scheme Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. An Ascott Reit Unitholder voting by proxy shall be included in the count of Ascott Reit Unitholders present and voting at the Ascott Reit Scheme Meeting as if that Ascott Reit Unitholder was voting in person, such that the votes of a proxy who has been appointed to represent more than one Ascott Reit Unitholder at the Ascott Reit Scheme Meeting shall be counted as the votes of the number of appointing Ascott Reit Unitholders.
7. The Proxy Form (Ascott Reit Scheme Meeting) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Ascott Reit Scheme Meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be an Ascott Reit Unitholder but must attend the Ascott Reit Scheme Meeting in person to represent the appointor.
8. An Ascott Reit Unitholder may appoint one (and not more than one) proxy to attend and vote at the Ascott Reit Scheme Meeting, PROVIDED THAT if the Ascott Reit Unitholder is a Depositor, the Ascott Reit Manager shall be entitled and bound:
 - (i) to reject any Proxy Form (Ascott Reit Scheme Meeting) lodged if the Depositor is not shown to have any Ascott Reit Units entered against his name in the Depository Register as at 48 hours before the time of the Ascott Reit Scheme Meeting as certified by the Depository to the Ascott Reit Manager; and

- (ii) to accept as the maximum number of votes which in aggregate the proxy appointed by the Depositor is or are able to cast on a poll a number which is the number of Ascott Reit Units entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the Ascott Reit Scheme Meeting as certified by the Depository to the Ascott Reit Manager, whether that number is greater or smaller than the number specified in any Proxy Form (Ascott Reit Scheme Meeting) executed by or on behalf of that Depositor.
9. In the case of joint Ascott Reit Unitholders, any one of such persons may vote, but if more than one of such persons be present at the Ascott Reit Scheme Meeting, the person whose name stands first in the Register of Ascott Reit Unitholders or, as the case may be, the Depository Register shall alone be entitled to vote.
10. An Ascott Reit Unitholder may only cast all the votes it uses at the Ascott Reit Scheme Meeting in one way, namely, either for or against the resolution to be proposed at the Ascott Reit Scheme Meeting.
11. By the said Order of Court, the Court has appointed Mr Tan Beng Hai, Bob, Chairman and Non-Executive Independent Director of the Ascott Reit Manager, or failing him, any other director of the Ascott Reit Manager, to act as Chairman of the Ascott Reit Scheme Meeting and has directed the Chairman to report the results of the Ascott Reit Scheme Meeting to the Court.
12. The said Ascott Reit Scheme will be subject to, *inter alia*, the subsequent approval of the Court.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Ascott Reit Scheme Meeting and any adjournment thereof, an Ascott Reit Unitholder (i) consents to the collection, use and disclosure of the Ascott Reit Unitholder's personal data by the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) for the purpose of the processing and administration by the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) of proxies and representatives appointed for the Ascott Reit Scheme Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Ascott Reit Scheme Meeting (including any adjournment thereof), and in order for the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Ascott Reit Unitholder discloses the personal data of the Ascott Reit Unitholder's proxy(ies) and/or representative(s) to the Ascott Reit Manager and the Ascott Reit Trustee (or their agents), the Ascott Reit Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Ascott Reit Manager and the Ascott Reit Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Ascott Reit Unitholder will indemnify the Ascott Reit Manager and the Ascott Reit Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Ascott Reit Unitholder's breach of warranty.

Dated this 26 day of September 2019

By Order of the Court

Ascott Residence Trust Management Limited
(as manager of Ascott Residence Trust)
168 Robinson Road, #30-01 Capital Tower,
Singapore 068912

This page has been intentionally left blank.



ASCOTT
RESIDENCE
TRUST

A Member of CapitaLand

Ascott Residence Trust Management Limited

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

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel: +65 6713 2888
Fax: +65 6713 2121
Email: ask-us@ascottreit.com

www.ascottreit.com