



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

### Dealings Disclosure

#### 1. INTRODUCTION

Citigroup Global Markets Singapore Pte. Ltd. ("**CGMS**") refers to the announcement made by Ascott Residence Trust Management Limited ("**ART Manager**"), as manager of Ascott Residence Trust ("**Ascott Reit**") dated 3 July 2019 (the "**Joint Announcement**") in relation to the proposed combination of ART and Ascendas Hospitality Trust (the "**Combination**"). CGMS is the sole financial advisor to the ART Manager.

*All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Joint Announcement.*

#### 2. DEALINGS

CGMS, as the sole financial adviser to ART in respect of the Combination, is regarded as an associate of Ascott Reit under the Singapore Code on Take-overs and Mergers ("**Code**").

Prior to the release of the Joint Announcement, certain affiliates of CGMS ("**Citi Affiliates**"), have entered into Delta one equity swap contracts with a client (the "**Relevant Client**") in relation to units in Ascott Reit ("**ART Units**"). The Relevant Client is not, and is not deemed to be, acting in concert with the Ascott Reit Trustee and the Ascott Reit Manager in connection with the Combination pursuant to the Code. The Delta one equity swap contracts are a type of financial derivative instrument that allowed the Relevant Client to have exposure to Ascott Reit without the need for the Relevant Client to have a physical position in ART Units.

When Citi Affiliates enter into such equity swap contracts with their clients, they will hedge the trade on a one-for-one basis by buying or selling a corresponding number of underlying securities, depending on whether the clients are taking a long or short position respectively. When the clients close their equity swap positions with Citi Affiliates, the hedging trades entered into by Citi Affiliates will be closed out as well (i.e. underlying securities purchased to hedge long equity swap positions will be sold, or underlying securities sold to hedge short equity swap positions will be purchased).

Immediately prior to the date of the Joint Announcement, Citi Affiliates had long equity swap contracts with the Relevant Client which are referenced to 14,800 ART Units. Accordingly, an aggregate of 14,800 ART Units were purchased prior to the date of the Joint Announcement and held by Citigroup Global Markets Limited ("**CGML**"), a Citi Affiliate, to hedge the long equity swap positions of the Relevant Client.

The relevant Citi Affiliates received instructions from the Relevant Client to close out all its long equity swap positions in relation to 14,800 ART Units (the "**Relevant Swaps**"). The unwinding of the Relevant Swaps is wholly unsolicited and driven by the Relevant Client's instruction. Accordingly, 14,800 ART Units were sold on the same day the Relevant Swaps were closed.



Rule 11.3 of the Code prohibits dealings by an offeror and its concert parties in securities of the offeror where the consideration for an offer includes securities of the offeror. A waiver of Rule 11.3 of the Code has been obtained by CGMS from the Securities Industry Council ("SIC") for the sale of ART Units in connection with the unwinding of the equity swap contracts entered into between Citi Affiliates and the Relevant Client in relation to the 14,800 ART Units, subject to the condition that the sale will be publicly disclosed in accordance with Rule 12.1 of the Code.

Accordingly, CGMS wishes to announce the following dealing in ART Units by its associate for their own account:

<b>Date of dealing</b>	24 October 2019
<b>Name of entity dealing</b>	Citigroup Global Markets Limited
<b>Description of dealing</b>	Open market sale of 14,800 ART Units in connection with unwinding of long equity swap positions with an unconnected client of Citi Affiliates
<b>Dealing price</b>	S\$1.36444952 per ART Unit
<b>Total number of ART Units sold</b>	14,800
<b>Consideration received from Sale (excluding brokerage fee, clearing fee and applicable tax)</b>	S\$20,193.852896

The resultant total number of ART Units owned or controlled by CGMS and its associates is 38,700. The resultant percentage of ART Units owned or controlled by CGMS and its associates is approximately 0.0018%<sup>1</sup>.

Issued by  
**CITIGROUP GLOBAL MARKETS SINGAPORE PTE. LTD.**  
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<sup>1</sup> Based on approximately 2,176.8 million units of Ascott Reit in issue as at the date of the Joint Announcement, being the total number of issued units in the capital of ART.