

ASCOTT

RESIDENCE
TRUST

A Member of CapitaLand

Ascott Residence Trust

Proposed Combination
with Ascendas Hospitality Trust

3 July 2019



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For the purposes of this presentation, the following terms have been used interchangeably and to mean the same thing: "Stapled Units" and "Stapled Securities"; "Unitholders" and "Securityholders"; "Distribution per Unit" and "Distribution per Security".



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Overview of the Transaction



lyf one-north Singapore
(Artist Impression)



Key Highlights

Proposed S\$1.9 billion⁽¹⁾ deal to combine Ascott Residence Trust and Ascendas Hospitality Trust

Ascott Reit to acquire all A-HTRUST Stapled Units via a Trust Scheme, with a **gross exchange ratio** of **0.836x**, based on the respective **audited NAV per Unit⁽²⁾** of Ascott Reit and A-HTRUST

Consolidate position as the
largest hospitality Trust in
Asia Pacific with total
assets of S\$7.6 billion⁽³⁾



Facilitate inclusion into **FTSE EPRA Nareit
Developed Index**

DPU accretion to
Unitholders



+2.5%
FY 2018 pro forma
DPU

Strengthen position
for future growth



Stronger financial position for **growth** to
capture **rising hospitality market**

Notes: (1) Based on the total assets of Ascendas Hospitality Trust ("A-HTRUST") as at 31 March 2019.
(2) Based on A-HTRUST's audited Net Asset Value ("NAV") per Stapled Unit as at 31 March 2019 of S\$1.02 divided by Ascott Reit's audited NAV per Unit as at 31 December 2018 of S\$1.22.
(3) Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.



Scheme Consideration

Total Scheme Consideration of S\$1.2 billion⁽¹⁾ comprises:

S\$1.0868 per A-HTRUST Stapled Unit	5% Cash Consideration
	S\$0.0543 in cash ⁽²⁾
	95% Consideration Units
	0.7942 new Ascott Reit-BT Stapled Units ⁽²⁾ issued at S\$1.30

The Scheme Consideration is based on a **gross exchange ratio of 0.836x**, which is derived from the **audited NAV per Stapled Unit of A-HTRUST of S\$1.02** as at 31 March 2019 divided by the **audited NAV per Unit of Ascott Reit of S\$1.22** as at 31 December 2018

By way of illustration, for every 1,000 A-HTRUST Stapled Units, a cash consideration of S\$54.30 per Stapled Unit will be paid and consideration units of 794 new Ascott Reit-BT Stapled Units will be issued

Permitted Distributions⁽³⁾	Unitholders can continue to receive normal distribution and distribution from net divestment gains until completion of the Combination
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Notes: (1) Calculated based on a total of 1,136.7 million A-HTRUST Stapled Units.

(2) 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 Trust Scheme shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued.

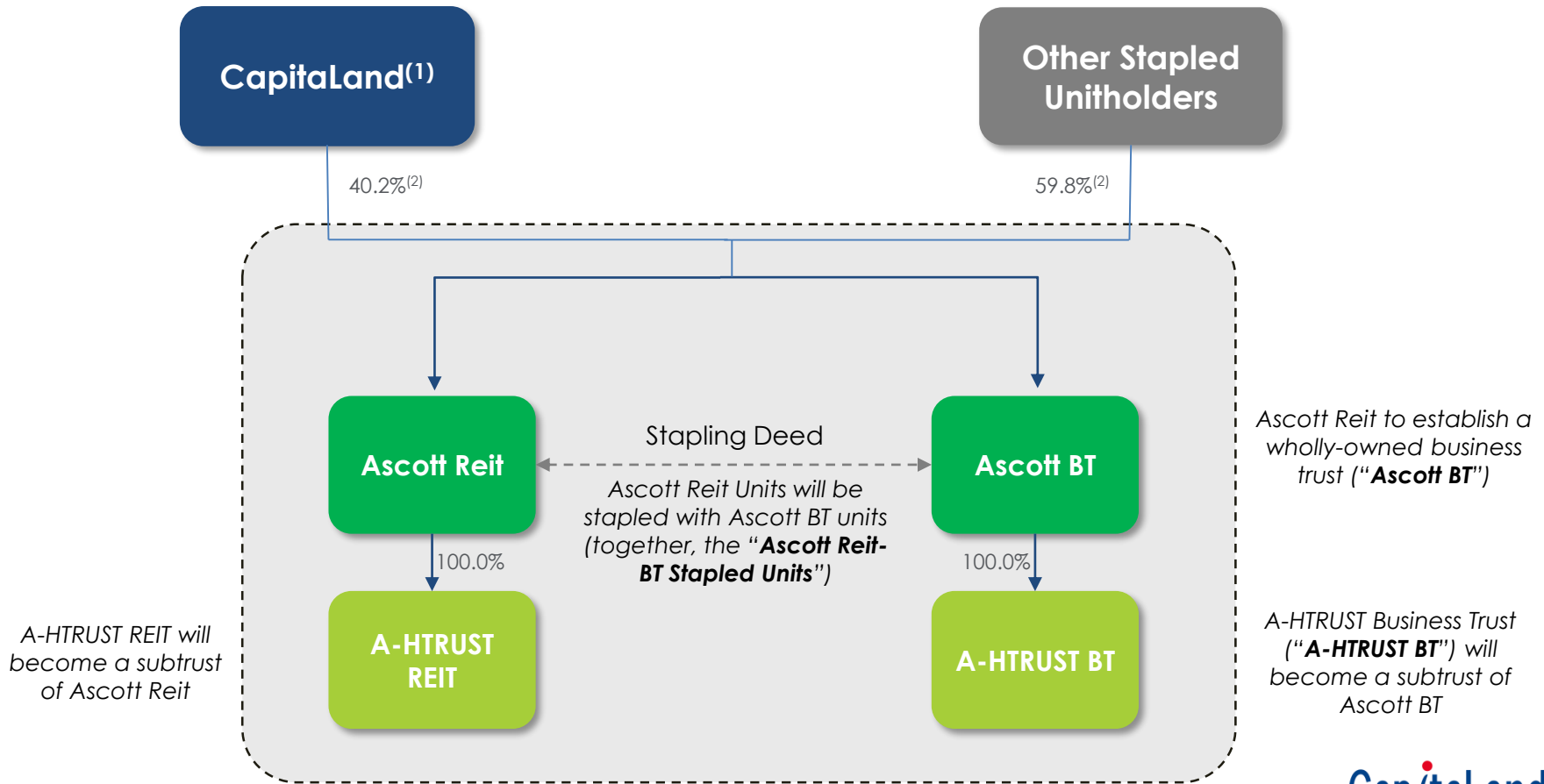
(3) Ascott Reit Permitted Distributions includes, amongst others, the distributions declared, paid or made or to be declared, paid or made in the ordinary course of business and to the extent consistent with past practice for the period from 1 January 2019 up to the day immediately before the effective date, including any clean-up distribution and distribution from net divestment gains.



Combined Entity Structure

Investment Mandate:

Global mandate for investments in serviced residences, rental housing and other hospitality assets in any country in the world



Notes: (1) Held through CapitaLand group of entities, namely The Ascott Limited, Somerset Capital Pte Ltd, the Ascott Reit Manager and Ascendas Land International Pte Ltd.
(2) Holdings based on 28 June 2019 and including Consideration Units.

Rationale and Benefits of the Proposed Combination



Park Hotel Clarke Quay



Rationale and Benefits of the Proposed Combination



1

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

2

Enhanced Portfolio

- Enhance portfolio diversification and resilience
- Strengthen presence in Asia Pacific where business and leisure travel demand remains robust

3

DPU Accretive to Unitholders

- 2.5% DPU accretion to Ascott Reit Unitholders⁽¹⁾
- Neutral to NAV per Unit⁽²⁾

Notes: (1) On a FY 2018 pro forma basis.

(2) As at 31 December 2018, on a pro forma basis, assuming the premium over NAV is written off and transaction costs are excluded.



1

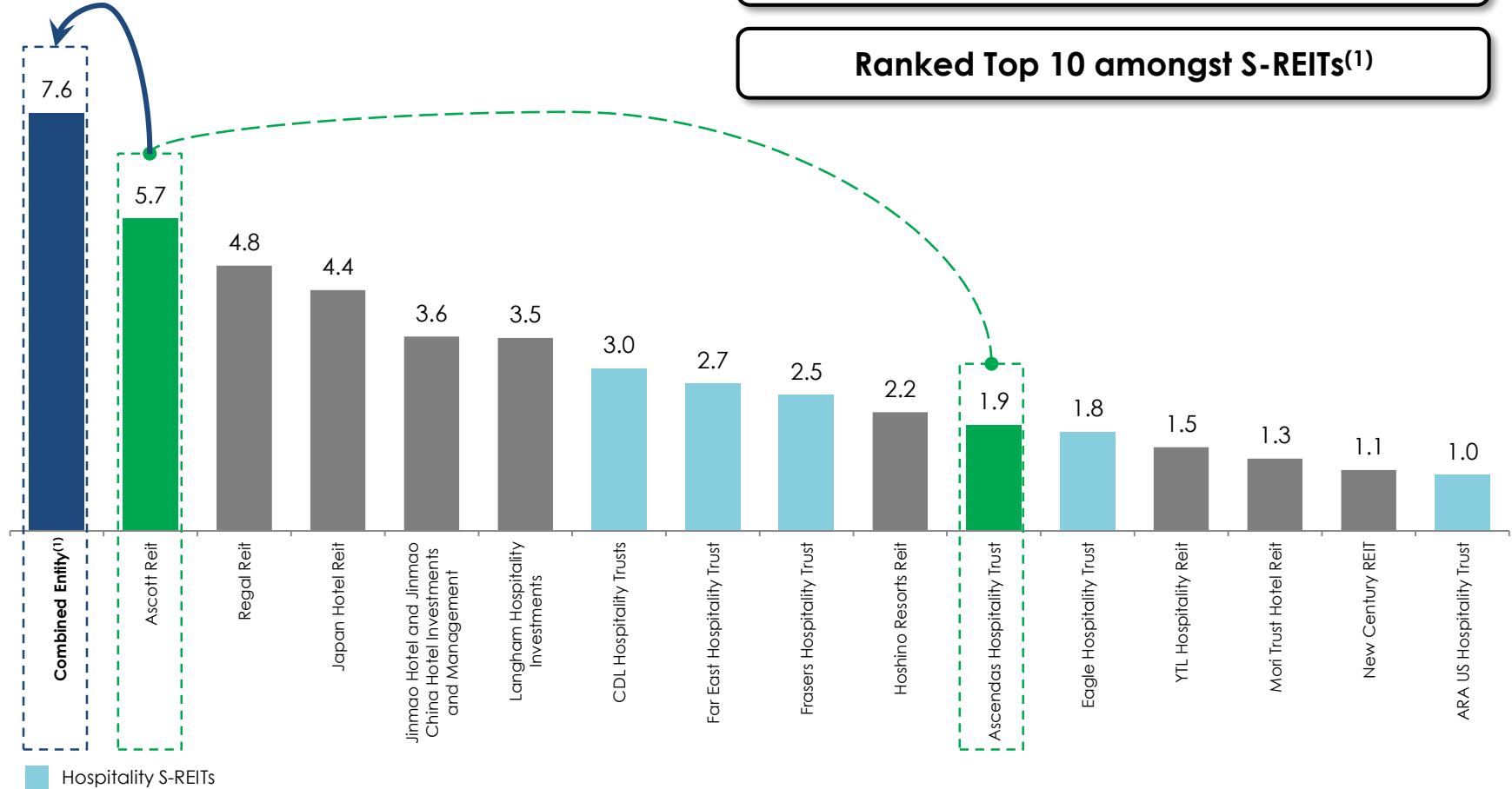
Proxy Hospitality Trust in Asia Pacific

- Consolidate position as the largest hospitality Trust in Asia Pacific

Total assets of hospitality Trusts in Asia Pacific (\$\$ bn)

8th largest hospitality Trust globally⁽¹⁾

Ranked Top 10 amongst S-REITs⁽¹⁾



Sources: Bloomberg as at 28 June 2019, reflecting only 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.
 Notes: (1) Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.

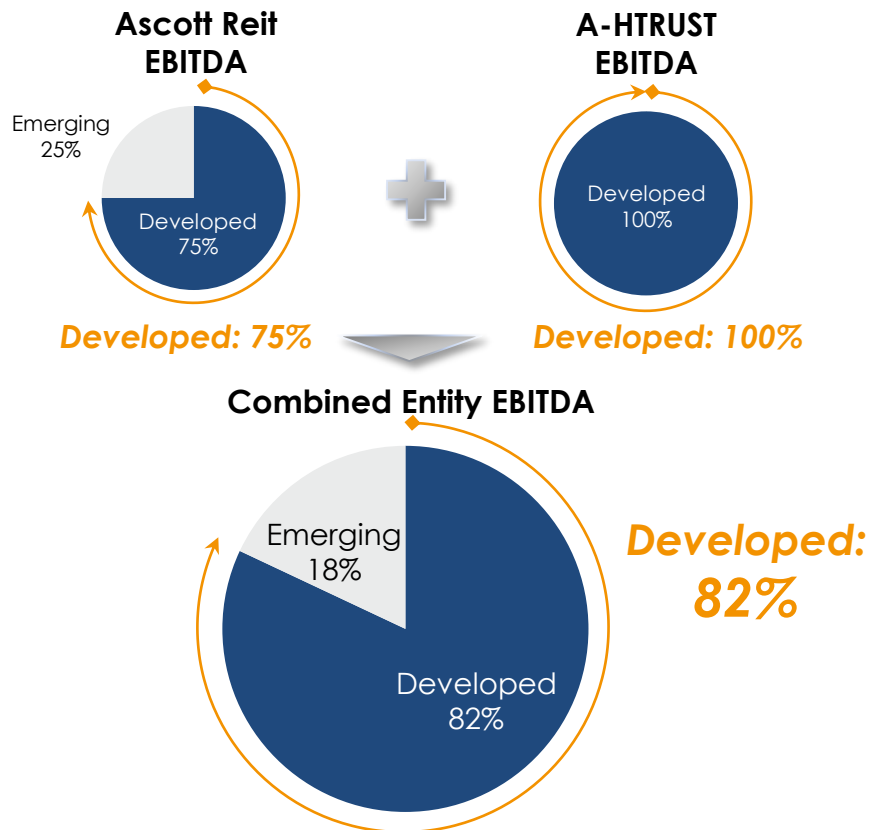


1

Proxy Hospitality Trust in Asia Pacific

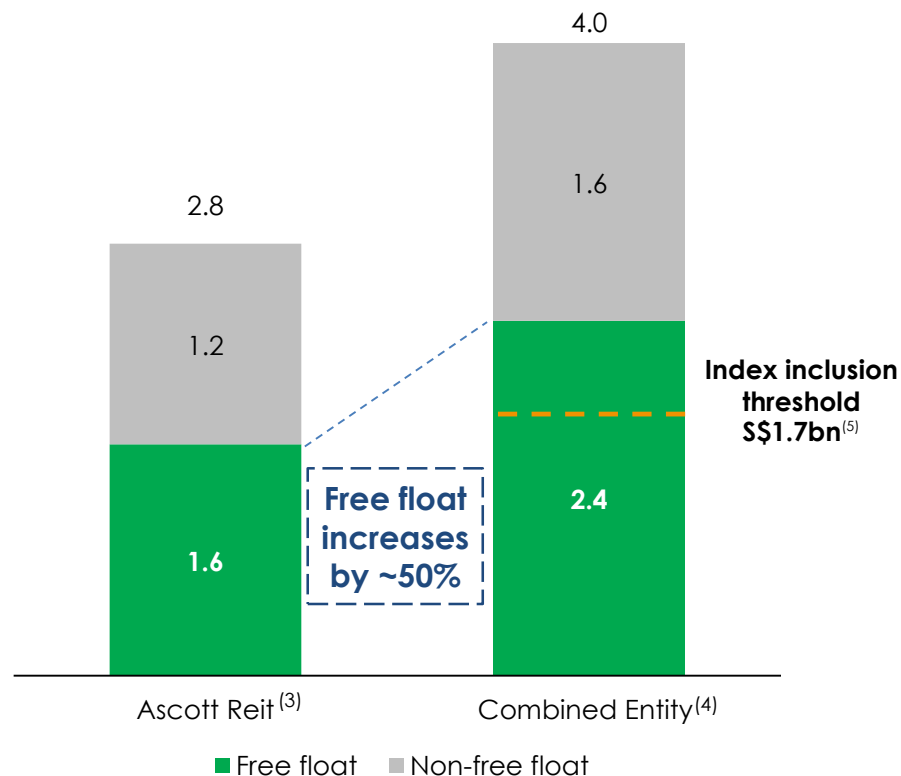
- Facilitate inclusion into FTSE EPRA Nareit Developed Index
- Potential positive re-rating, wider investor base and higher trading liquidity

EBITDA⁽¹⁾ breakdown by market classification⁽²⁾



Free float and market capitalisation

(S\$ bn)



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 Ascott Reit's and A-HTRUST's financial statements for FY 2018 and FY 2018/2019 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.



1

Proxy Hospitality Trust in Asia Pacific

- Stronger financial position with increased capacity to drive growth



Greater access to **growth opportunities**



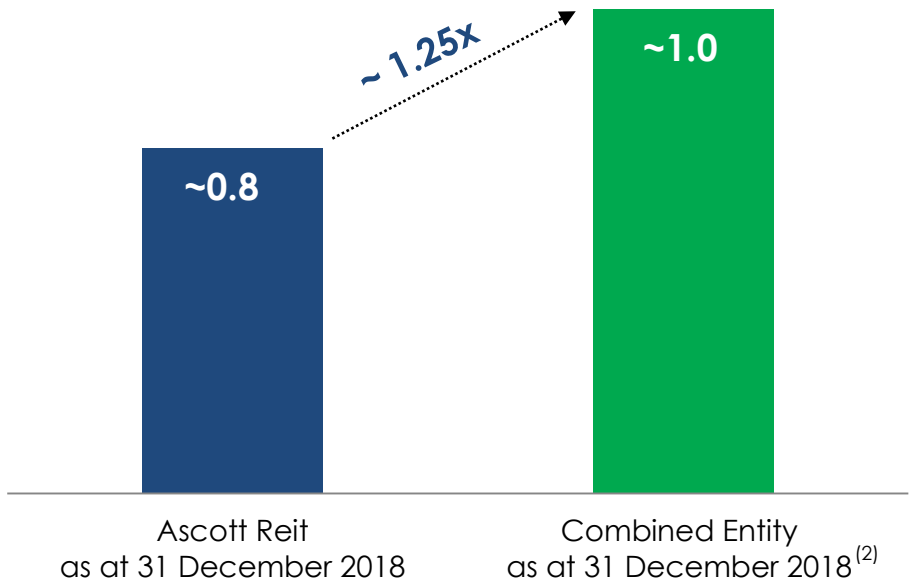
Increased capacity to undertake more **development/ conversion projects**



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 the Property Funds Appendix.
 (2) This is computed based on the financial position of Ascott Reit and A-HTRUST as at 31 December 2018 and 31 March 2019 respectively and assumes that additional S\$85.1 million debt was drawn down to fund the cash component of the estimated total transaction costs.

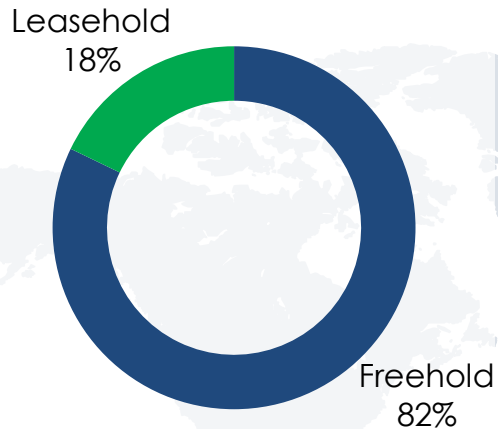


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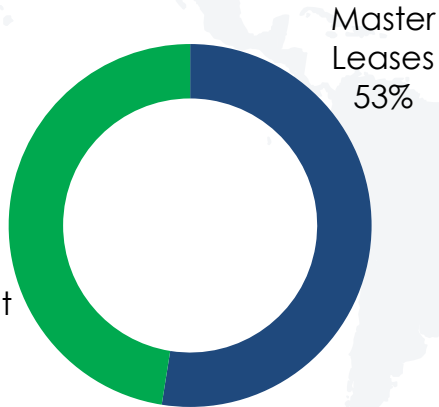
Enhanced Portfolio

- Addition of a portfolio comprising 14 quality, predominantly freehold properties in developed markets

Portfolio Valuation Breakdown



Net Property Income Breakdown⁽¹⁾



Japan

5 Freehold properties
38% of total portfolio value



South Korea

2 Freehold properties
10% of total portfolio value



Singapore

1 Leasehold property
18% of total portfolio value



Australia

6 Freehold properties
34% of total portfolio value

Notes:
 Based on A-HTRUST's financial statements for FY 2018/2019.
 (1) Excluding contributions from the divested China properties.



2

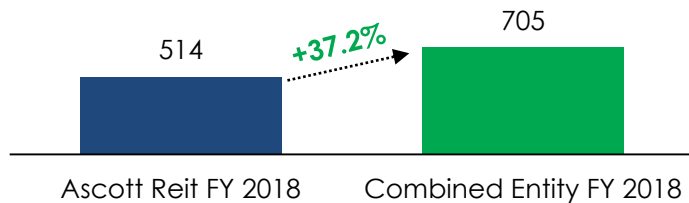
Enhanced Portfolio

- Building a bigger hospitality portfolio

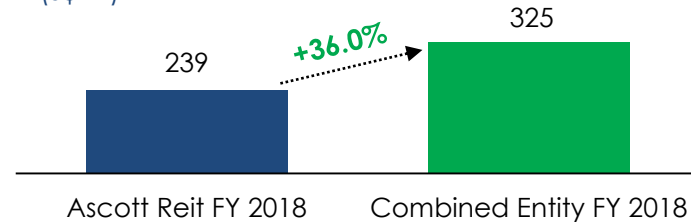
Combined Portfolio



Gross Revenue⁽¹⁾
(S\$ m)



Gross Profit⁽¹⁾
(S\$ m)



Brands include:



Pullman Novotel Courtyard by Marriott Mercure ibis Park Hotel The Splaisir
 Sheraton DoubleTree by Hilton Element Hotels WBF Sunroute Sotetsu Grand Fresa

Notes: (1) Based on Ascott Reit's and A-HTRUST's financial statements for FY 2018 and FY 2018/2019 respectively, excluding contributions from the divested China properties. For A-HTRUST, gross profit refers to net property income.



2

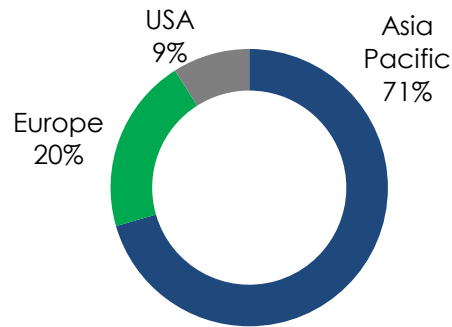
Enhanced Portfolio

- Enhances portfolio diversification and resilience

Combined Portfolio

Strengthen presence in Asia Pacific

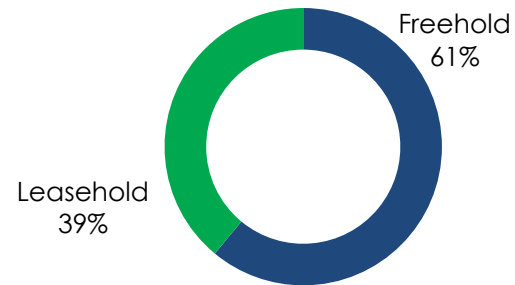
Portfolio valuation breakdown by geography⁽¹⁾



+ 11%
Asia Pacific portfolio

Increased freehold component

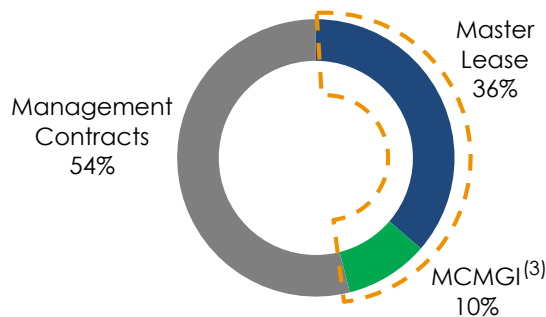
Portfolio valuation breakdown by freehold and leasehold⁽¹⁾



+ 8%
Freehold properties

Balance between stable and growth income

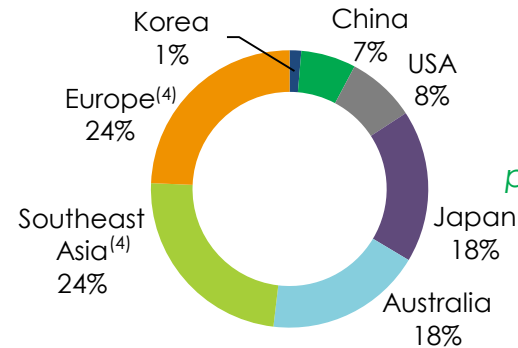
Gross profit breakdown by contract type⁽²⁾



Balanced
mix of stable and growth income

Reduced concentration risk

Gross profit breakdown by geography⁽²⁾



< 20%
Exposure per country

Notes: (1) Breakdown of the combined portfolio valuation of S\$6.7 billion, based on the financial position of Ascott Reit and A-HTRUST as at 31 December 2018 and 31 March 2019 respectively.
 (2) Breakdown of the combined gross profit of S\$325 million, based on Ascott Reit's and A-HTRUST's financial statements for FY 2018 and FY 2018/2019 respectively, 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 Belgium (1%), France (10%), Germany (5%), Spain (1%), and The United Kingdom (7%); Southeast Asia comprises Indonesia (2%), Malaysia (<1%), The Philippines (2%), Singapore (13%), and Vietnam (7%).



2

Enhanced Portfolio

- Strengthen presence in Asia Pacific where the demand for business and leisure travel remains robust



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) Organization for Economic Co-operation and Development. (6) EIU market indicators and forecasts, World Travel and Tourism Council.

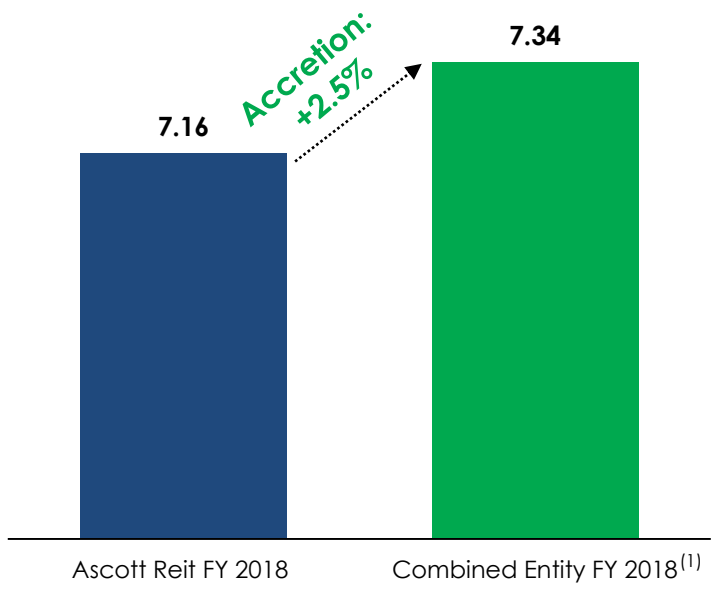


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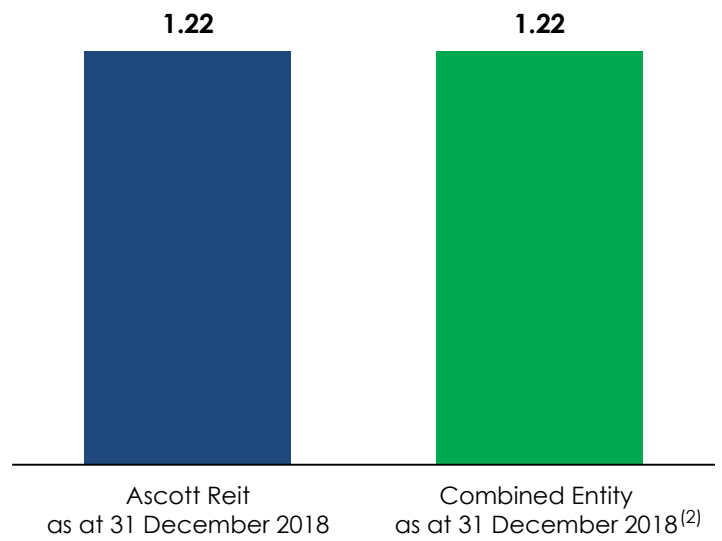
DPU Accretive to Unitholders

- 2.5% DPU accretion to Ascott Reit Unitholders, on a FY 2018 pro forma basis
- Neutral to NAV per Unit

DPU
(Singapore cents)



NAV per Unit
(Singapore dollars)



Notes: For illustration only – Not forward looking projections

(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 FY 2018/2019 (including the S\$5.1 million A-HTRUST's distributable income for FY 2018/2019, 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; (c) reflects the issuance of: (i) 902.8 million new Ascott Reit-BT Stapled Units issued at an issue price of S\$1.30 per 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 per 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 adjusted NAV per Unit assuming write-off of premium over NAV 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 per 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 per 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). Pro forma NAV per Unit assuming write-off of premium over NAV and including transaction costs is S\$1.21.

Unitholders' Approvals Required

Citadines Connect Sydney Airport





Ascott Reit Unitholders' Approvals for the Combination

No.	Resolutions	Voting Majority
1.	To amend Ascott Reit trust deed to incorporate provisions: <ul style="list-style-type: none">• to facilitate Ascott Reit stapling scheme;• customary to stapled trusts; and• relating to issue of new units as consideration	<ul style="list-style-type: none">• ≥75% votes
2.	To approve Ascott Reit stapling scheme, including: <ul style="list-style-type: none">• the distribution <i>in specie</i> of the units in Ascott BT to the unitholders of Ascott Reit on a one-for-one basis; and• the entry into of the Ascott Reit stapling deed	<ul style="list-style-type: none">• ≥75% votes; and• 50%+1 majority in number
3.	To approve A-HTRUST acquisition	<ul style="list-style-type: none">• 50%+1 votes• CL Entities⁽¹⁾ will abstain from voting
4.	To approve issue of new Ascott Reit-BT stapled units in consideration of A-HTRUST acquisition	<ul style="list-style-type: none">• 50%+1 votes• CL Entities⁽¹⁾ will abstain from voting

Note: (1) Refers to The Ascott Limited, Somerset Capital Pte Ltd and the Ascott Reit Manager.



A-HTRUST Stapled Unitholders' Approvals for the Combination

No.	Resolutions	Voting Majority
1.	To amend A-HTRUST BT trust deed, A-HTRUST REIT trust deed and A-HTRUST Stapling Deed to facilitate the implementation of the A-HTRUST Scheme	<ul style="list-style-type: none">• $\geq 75\%$ votes
2.	To approve the A-HTRUST Scheme	<ul style="list-style-type: none">• $\geq 75\%$ votes; and• 50%+1 majority in number• ALI⁽¹⁾ will abstain from voting

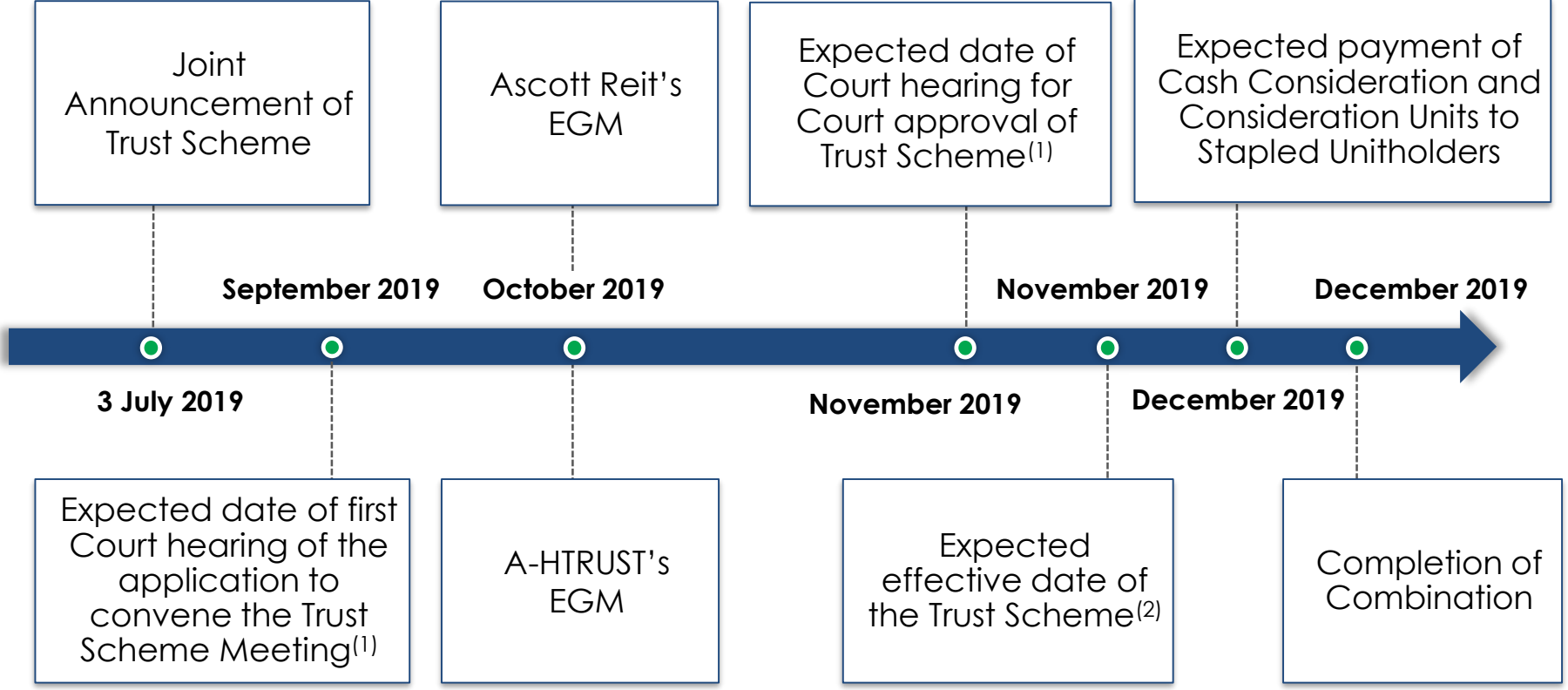
Note: (1) Refers to Ascendas Land International Pte Ltd.

Indicative Timeline





Indicative Timeline



The timeline above is indicative only and subject to change.

Notes: (1) The dates of the Court hearings of the application to (a) convene the Trust Scheme Meeting and (b) approve the Trust Scheme will depend on the dates that are allocated by the Court.

(2) The Trust Scheme will become effective upon the lodgment of the order of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected within 10 Business Days from the date the last Scheme Condition has been satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

Conclusion



Recap of Transaction Benefits



Proxy hospitality Trust in Asia Pacific

Consolidates position as the **largest hospitality Trust in Asia Pacific** with total assets of **S\$7.6 bn⁽¹⁾**

Facilitate Index inclusion



with potential **positive re-rating** and **wider investor base**

Portfolio enhancement



Addition of **14 quality** and predominantly **freehold properties**, enhancing portfolio **diversification and resilience**

DPU accretion to Unitholders



+2.5%
FY 2018 pro forma
DPU



Increased flexibility to drive future growth

Strong financial position for **growth** and to capture **rising hospitality market**

Appendix

The Splaisir Seoul Dongdaemun





A-HTRUST Portfolio Overview

Overview of Properties

Name	 Pullman Sydney Hyde Park	 Novotel Sydney Central	 Novotel Sydney Parramatta	 Courtyard by Marriott Sydney – North Ryde	 Pullman and Mercure Melbourne Albert Park	 Pullman and Mercure Brisbane King George Square	 Hotel Sunroute Ariake
Location	Sydney, Australia	Sydney, Australia	Sydney, Australia	Sydney, Australia	Melbourne, Australia	Brisbane, Australia	Tokyo, Japan
Land Title	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
No. of Rooms	241	255	194	196	378	438	912
Valuation⁽¹⁾ (\$ m)	156.4	161.2	43.7	52.3	109.4	89.2	325.0

Source: Company filings.

Notes: (1) Valuation as at 31 March 2019.



A-HTRUST Portfolio Overview

Overview of Properties

Name	 Sotetsu Grand Fresca Osaka-Namba ⁽²⁾	 Hotel WBF Kitasemba West	 Hotel WBF Kitasemba East	 Hotel WBF Honmachi	 Park Hotel Clarke Quay	 The Splairir Seoul Dongdaemun	 ibis Ambassador Seoul Insadong
Location	Osaka, Japan	Osaka, Japan	Osaka, Japan	Osaka, Japan	Singapore	Seoul, Korea	Seoul, Korea
Land Title	Freehold	Freehold	Freehold	Freehold	Leasehold, expiring November 2105	Freehold	Freehold
No. of Rooms	698	168	168	182	336	215	363
Valuation⁽¹⁾ (\$\$ m)	239.8	43.2	43.1	43.3	325.0	93.8	96.9

Source: Company filings.

Notes: (1) Valuation as at 31 March 2019.

(2) Formerly known as Hotel Sunroute Osaka Namba.



Strong Sponsor – The Ascott Limited



A Member of CapitalLand

One of the leading international lodging owner-operators



>106,000⁽¹⁾
Serviced residence & hotel units
Includes units under development

>695
Properties



175
Cities

32
Countries

>30 year track record

Award-winning brands with worldwide recognition

Strong alignment of interests – CapitalLand owns ~40% of Combined Entity



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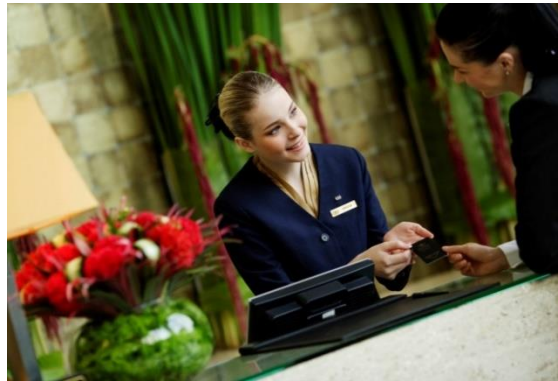
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Thank You