



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

### Corrigendum Announcement

#### 1. BACKGROUND

Citigroup Global Markets Singapore Pte. Ltd. ("**CGMS**") refers to:

- (a) the announcement made by Ascott Residence Trust Management Limited ("**ART Manager**"), as manager of Ascott Residence Trust ("**Ascott Reit**"), Ascendas Hospitality Fund Management Pte. Ltd., as manager of Ascendas Hospitality Real Estate Investment Trust (the "**AHT REIT Manager**") and Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust (the "**AHT Trustee-Manager**", and together with the AHT REIT Manager, collectively the "**AHT Managers**"), to the stapled securityholders of A-HTRUST dated 3 July 2019 (the "**Joint Announcement**") in relation to the proposed combination of Ascott Reit and Ascendas Hospitality Trust ("**A-HTRUST**") (the "**Combination**");
- (b) the dealings disclosure announcement made by CGMS on SGXNET on the securities of Ascott Reit on 19 August 2019 in relation to (i) the return of 59,300 units in Ascott Reit ("**ART Units**") by Citigroup Global Markets Limited ("**CGML**"), an affiliate of CGMS, in connection with stock borrowing arrangements entered into by CGML, and (ii) the return of 100,000 ART Units by Citigroup Global Markets Inc. ("**CGMI**"), an affiliate of CGMS, in connection with stock borrowing arrangements entered into by CGMI (the "**Citi 19 Aug Announcement**");
- (c) the dealings disclosure announcement made by CGMS on SGXNet on the securities of Ascott Reit on 9 September 2019 in relation to the return of 7,000 ART Units by CGML in connection with stock borrowing arrangements entered into by CGML (the "**Citi 9 Sep Announcement**");
- (d) the dealings disclosure announcement made by CGMS on SGXNet on the securities of Ascott Reit on 25 October 2019 in relation to the open market sale of 14,800 ART Units by CGML in connection with the unwinding of certain long equity swap positions with an unconnected client of affiliates of CGMS (the "**Citi Affiliates**") (the "**Citi 25 Oct Announcement**");
- (e) the scheme document dated 26 September 2019 issued by the AHT Managers to the stapled securityholders of A-HTRUST (the "**AHT Scheme Document**"); and
- (f) the composite document dated 26 September 2019 issued by Ascott Residence Trust Management Limited, as manager of Ascott Reit, to the unitholders of Ascott Reit (the "**ART Composite Document**"),

(the Joint Announcement, the Citi 19 Aug Announcement, the Citi 9 Sep Announcement, the Citi 25 Oct Announcement and the ART Composite Document, collectively, the "**Relevant ART**")



**Documents**", and the Joint Announcement and the AHT Scheme Document, collectively the "**Relevant AHT Documents**").

*All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the ART Composite Document.*

## 2. CORRIGENDUM TO RELEVANT ART DOCUMENTS AND RELEVANT AHT DOCUMENTS

CGMS is the sole financial adviser to Ascott Reit in respect of the Combination.

CGMS wishes to inform:

- (a) the unitholders of Ascott Reit in respect of the Relevant ART Documents; and
- (b) the stapled securityholders of A-HTRUST in respect of the Relevant AHT Documents,

at the time of the Joint Announcement, CGML had mistakenly believed that it owned an aggregate of 53,500 ART Units, when in fact it did not. The following positions were mistakenly included in determining CGML's long position in ART Units:

- (A) 38,700 ART Units (the "**Relevant Borrowed ART Units**"), which CGML borrowed from external lenders prior to 3 July 2019. The Relevant Borrowed ART Units were subsequently sold to external counterparties before 3 July 2019; and
- (B) 14,800 ART Units (the "**Relevant Citi Units**"), which CGML purchased on the market prior to 3 July 2019. The Relevant Citi Units were used by CGML to meet its stock return obligations to an external lender on 27 June 2019.

CGML mistakenly included the Relevant Citi Units and the Relevant Borrowed ART Units in determining its interests in ART Units as of 3 July 2019, which resulted in its interests in ART Units being overstated by an aggregate of 53,500 ART Units (the "**Overstatement**") in the Relevant ART Documents and the Relevant AHT Documents. Details of the affected disclosures in the Relevant ART Documents and the Relevant AHT Documents are disclosed below.

### Relevant ART Documents

#### *(1) Joint Announcement*

Page 45 of the Joint Announcement stated that CGML had direct interests in 14,800 ART Units and deemed interests in 105,000 ART Units. Due to the Overstatement, it should have been stated that CGML had no direct interests in ART Units, and that CGML had deemed interests in 66,300 ART Units through stock borrowing arrangements entered into by it (the "**Actual Starting Position**").





*(2) Citi 19 Aug Announcement*

It was stated in the Citi 19 Aug Announcement that pursuant to the return of 59,300 ART Units by CGML and the return of 100,000 ART Units by CGMI in connection with stock borrow arrangements, the resultant total number of ART Units owned or controlled by CGMS and its associates was 60,500, representing 0.003% of the total issued units of Ascott Reit. Taking into account the Actual Starting Position, the resultant total number of ART Units owned or controlled by CGMS and its associates after the return of 59,300 ART Units by CGML should have been 7,000 (the "**Second Position**") under CGML and 100,000 under CGMI, and the resulting percentage holding is not meaningful, being less than 0.005% of Ascott Reit's total issued units.

*(3) Citi 9 Sep Announcement*

It was stated in the Citi 9 Sep Announcement that pursuant to the return of 7,000 ART Units by CGML in connection with stock borrow arrangements, the resultant total number of ART Units owned or controlled by CGMS and its associates was 53,500, representing 0.002% of the total issued units of Ascott Reit. Taking into account the Second Position, the resultant total number of ART Units owned or controlled by CGMS and its associates after the return of 7,000 ART Units should have been nil, as CGMS and its associates had ceased to hold any interests in ART Units after such return.

*(4) Citi 25 Oct Announcement*

It was stated in the Citi 25 Oct Announcement that pursuant to the open market sale of 14,800 ART Units by CGML on 24 October 2019, the resultant total number of ART Units owned or controlled by CGMS and its associates was 38,700, representing 0.0018% of the total issued units of Ascott Reit. As explained above under "*(3) Citi 9 Sep Announcement*", CGML ceased to hold any interest in ART Units after the return of 7,000 ART Units by CGML, and CGML was unable to settle the trade disclosed in the Citi 25 Oct Announcement. Buying-in transactions were executed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for 14,800 ART Units on 29 October 2019. The value of the 14,800 ART Units pursuant to such buying-in transactions was S\$21,164, as announced by the SGX-ST on 29 October 2019. The 14,800 ART Units bought-in by the SGX-ST were delivered to settle the sale trade by CGML, and not delivered to CGML. Accordingly, the Citi 25 Oct Announcement should have disclosed that CGML continued to hold no interests in ART Units.

*(5) ART Composite Document*

Page B-2 of the ART Composite Document stated that CGML had direct interests in 14,800 ART Units and deemed interests in 38,700 ART Units as at the date of the ART Composite Document, being 26 September 2019. As CGML would have ceased to have any interests pursuant to the explanation provided above under "*(3) Citi 9 Sep Announcement*", there should not have been any unitholding disclosure made in respect of ART Units in the ART Composite Document.



### **Relevant AHT Documents**

#### *(1) Joint Announcement*

Please refer to the section "(1) Joint Announcement" under the sub-header "Relevant ART Documents" above.

#### *(2) AHT Scheme Document*

Page B-99 of the AHT Scheme Document stated that CGML had direct interests in 14,800 ART Units and deemed interests in 38,700 ART Units as at the date of the AHT Scheme Document, being 26 September 2019. As CGML would have ceased to have any interests pursuant to the explanation provided in the section "(3) Citi 9 Sep Announcement" under sub-header "Relevant ART Documents" above, there should not have been any unitholding disclosure made in respect of ART Units in the AHT Scheme Document.

### **3. CLARIFICATION**

CGMS would like to highlight that the Overstatement and the resulting inaccuracies in the Joint Announcement, the AHT Scheme Document and the ART Composite Document arose due to the information provided by CGMS to the AHT Managers and the ART Manager, and the Overstatement and the resulting inaccuracies in the Relevant AHT Documents and the Relevant ART Documents were not due to the fault of the AHT Managers or the ART Manager.

Issued by

**CITIGROUP GLOBAL MARKETS SINGAPORE PTE. LTD.**

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