

Ascott Residence Trust

Proposed Combination with Ascendas Hospitality Trust

Extraordinary General Meeting and Scheme Meeting

21 October 2019

Important Notice



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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".

Table of Contents

1 Overview of the Transaction

2 Rationale and Benefits of the Combination

3 Unitholders' Approvals Required

4 Indicative Timeline


5 Looking Forward

Overview of the Transaction



Proposed S\$1.9 billion⁽¹⁾ Combination of Ascott Reit and A-HTRUST

Overview of the Combination

<p>Consolidate Ascott Reit's position as the largest hospitality trust in Asia Pacific with total assets of S\$7.6bn⁽²⁾</p> <p>Facilitate inclusion into FTSE EPRA Nareit Developed Index</p>	<p>Enhance portfolio diversification and resilience</p> 	<p>Strengthen position for future growth</p>  <p>Stronger financial position to capture the rising hospitality market</p>	<p>DPU accretion to Unitholders...</p>  <p>+2.5% FY2018 <i>pro forma</i> DPU</p> <p>...while being neutral to NAV per Unit⁽³⁾</p>
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Total Scheme Consideration of S\$1.2 billion⁽⁴⁾ comprises:

<p>S\$1.0868 per A-HTRUST Stapled Unit</p>	<p>=</p>	<p>5% Cash Consideration S\$0.0543 in cash⁽⁵⁾</p>	<p>+</p>	<p>95% Consideration Units 0.7942 new Ascott Reit-BT Stapled Units⁽⁴⁾ issued at S\$1.30</p>
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Notes: (1) Based on the total assets of Ascendas Hospitality Trust ("A-HTRUST") as at 31 March 2019. (2) Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019. (3) As at 31 December 2018, on a pro forma basis, assuming the premium over NAV is written off and transaction costs are excluded. (4) Based on a total of 1,136.7 million A-HTRUST Stapled Units as at 3 July 2019, date of the joint announcement (the "Joint Announcement Date"). (5) 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.

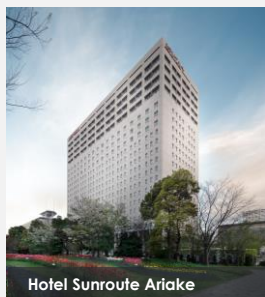
A-HTRUST Portfolio

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



Japan

5 freehold properties under master leases
38% of total portfolio value



0.2% ↑
GDP
2020 forecast



5.4% ↑ Tokyo
0.8% ↑ Osaka
2018 visitor nights



South Korea

2 freehold properties under master leases
10% of total portfolio value



2.2% ↑
GDP
2020 forecast



15.1% ↑
South Korea
2018 visitor arrivals

53%⁽¹⁾
Master leases

ascendas
Hospitality Trust
A Member of CapitalLand

47%⁽¹⁾
Management contracts



Singapore

1 leasehold property under master lease
18% of total portfolio value



1.8% ↑
GDP
2020 forecast



6.2% ↑
Singapore
2018 visitor arrivals



Australia

6 freehold properties under management contracts
34% of total portfolio value

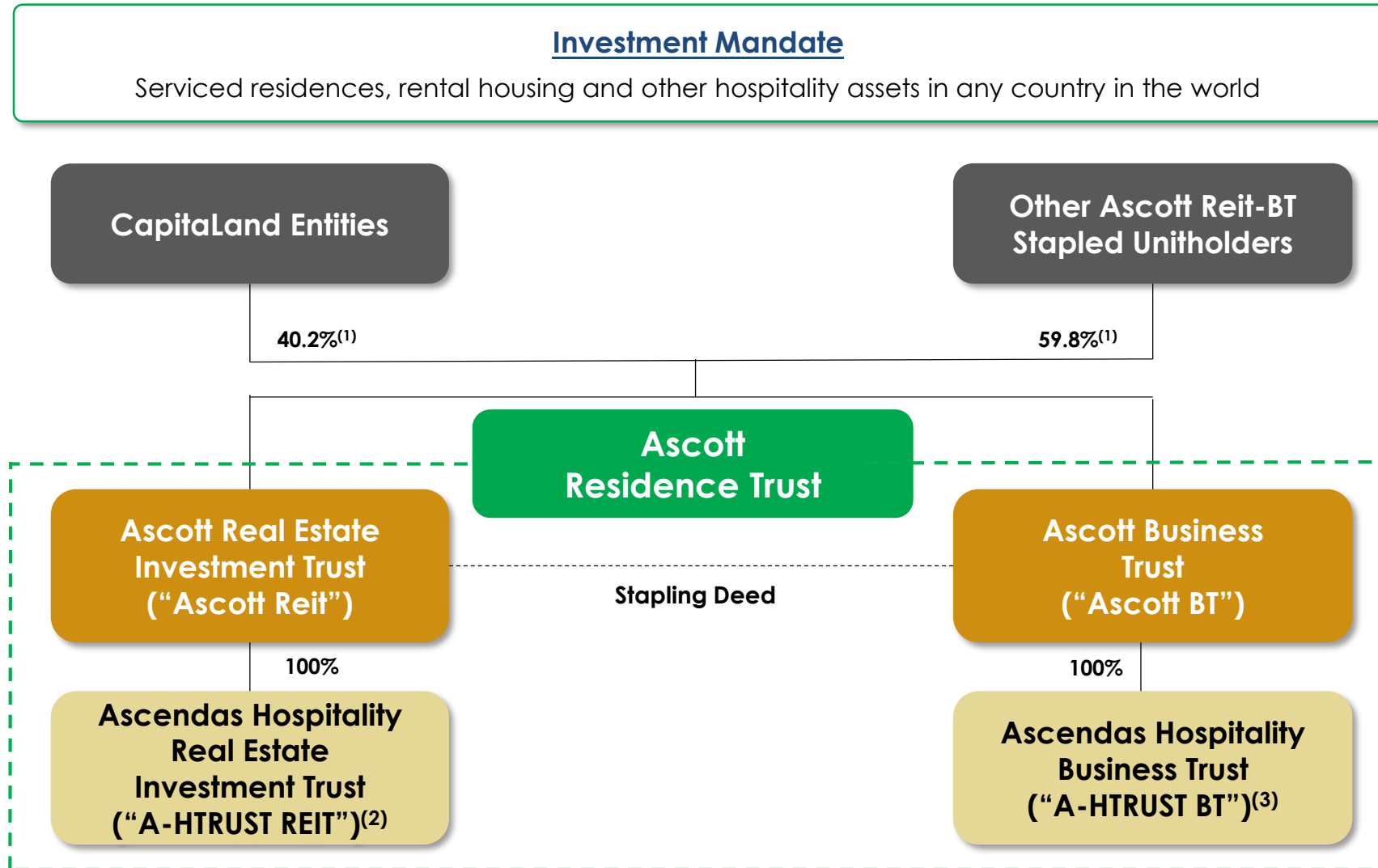


2.5% ↑
GDP
2020 forecast



4.6% ↑ Sydney
11.5% ↑ Melbourne
8.0% ↑ Brisbane
2018 visitor nights

Combined Entity Structure



Notes: (1) Holdings based on the Joint Announcement Date and including Consideration Units. CapitaLand Entities include The Ascott Limited, Somerset Capital Pte Ltd, the Ascott Reit Manager and Ascendas Land International Pte. Ltd.. (2) A-HTRUST REIT will cease to exist as a real estate investment trust under the SFA and an authorised collective investment scheme. (3) A-HTRUST BT will cease to be a registered business trust under the BTA.

Rationale and Benefits of the Combination



Rationale and Benefits of the 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 is robust



3 DPU Accretive to Unitholders

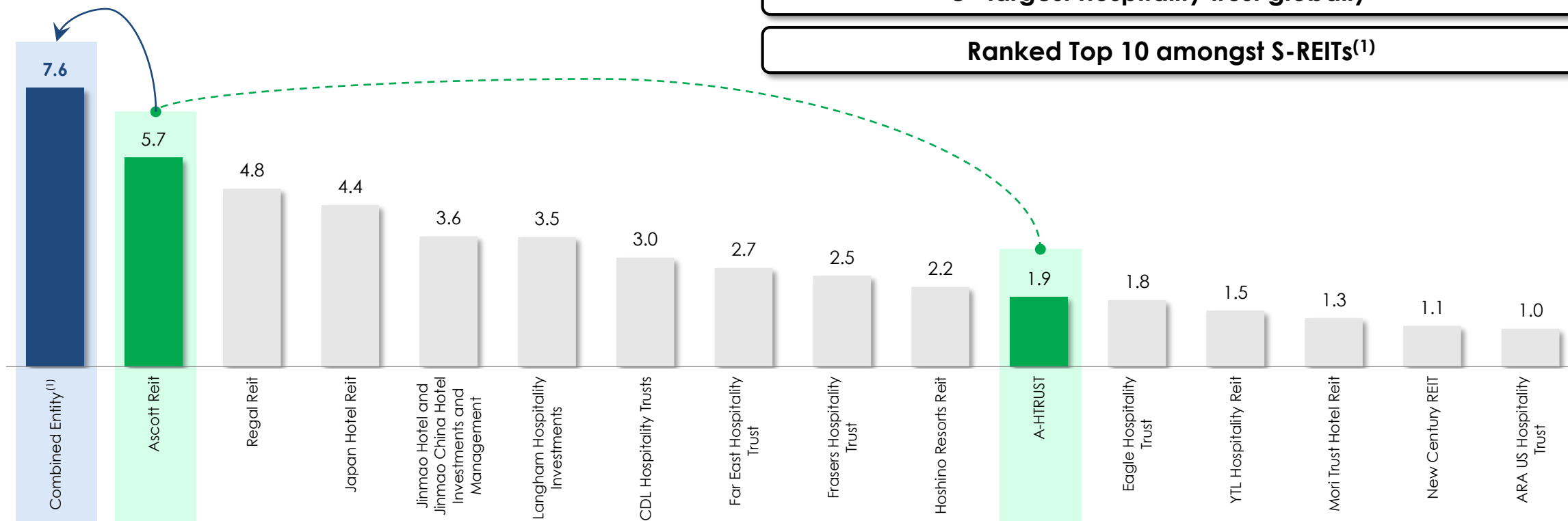
- 2.5% DPU accretion to Ascott Reit Unitholders⁽¹⁾
- Neutral to NAV per Unit⁽²⁾

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)



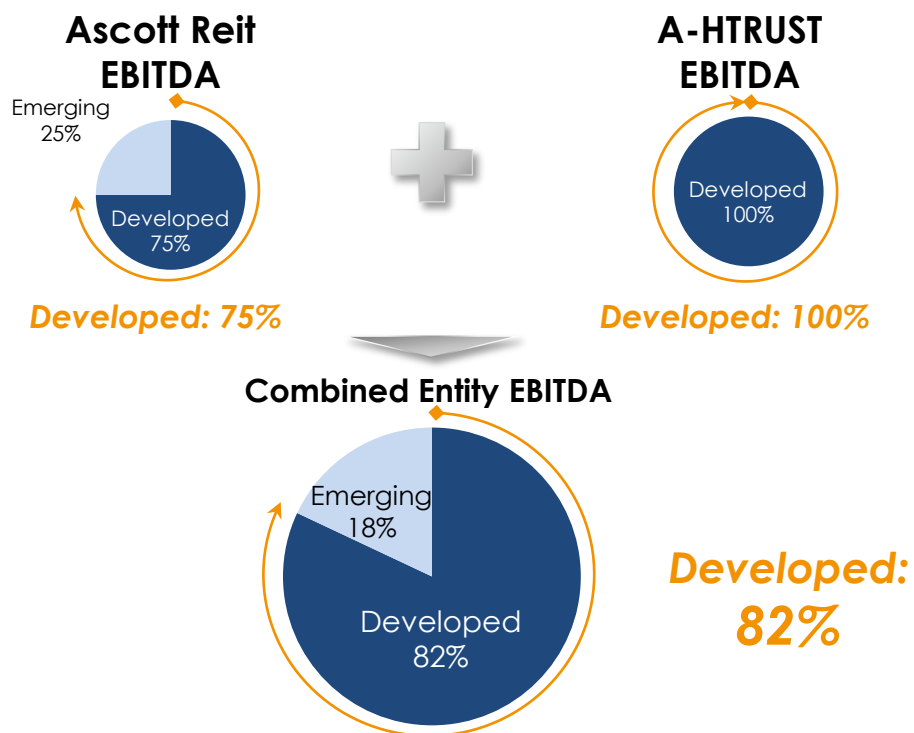
Sources: Bloomberg as at 28 June 2019, reflecting only pure-play hospitality trusts with total assets of at least S\$1.0 billion. Assuming an exchange rate of S\$1 = US\$0.739 = HK\$5.771 = RMB5.077 = JPY79.61 = RM3.054 = A\$1.055 as at 28 June 2019.

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

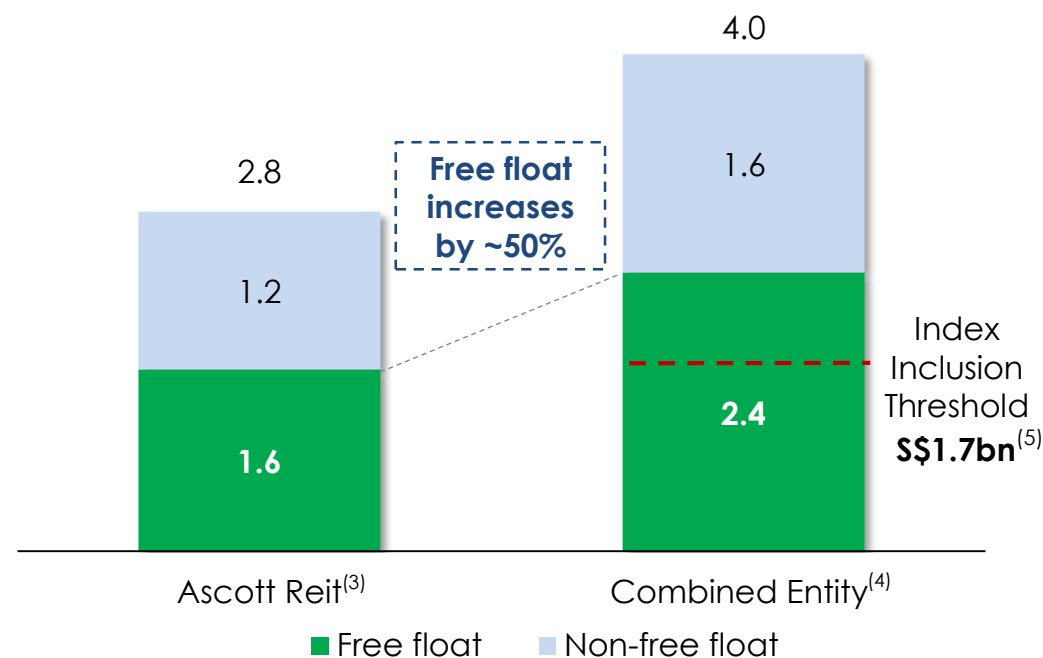
1 Proxy Hospitality Trust in Asia Pacific (Cont'd)

- 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 (\$\$ 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.

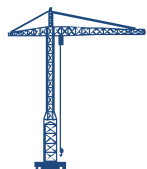
Notes: (1) Based on the Ascott Reit Group's audited consolidated financial statements for the financial year ended 31 December 2018 ("Ascott Reit FY2018 Financial Statements") and A-HTRUST FY2018/2019 Financial Statements. (2) Developed markets based on FTSE EPRA Nareit classification include Australia, 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 (Cont'd)

- Stronger financial position with increased capacity to drive growth



Greater access to **growth opportunities**



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

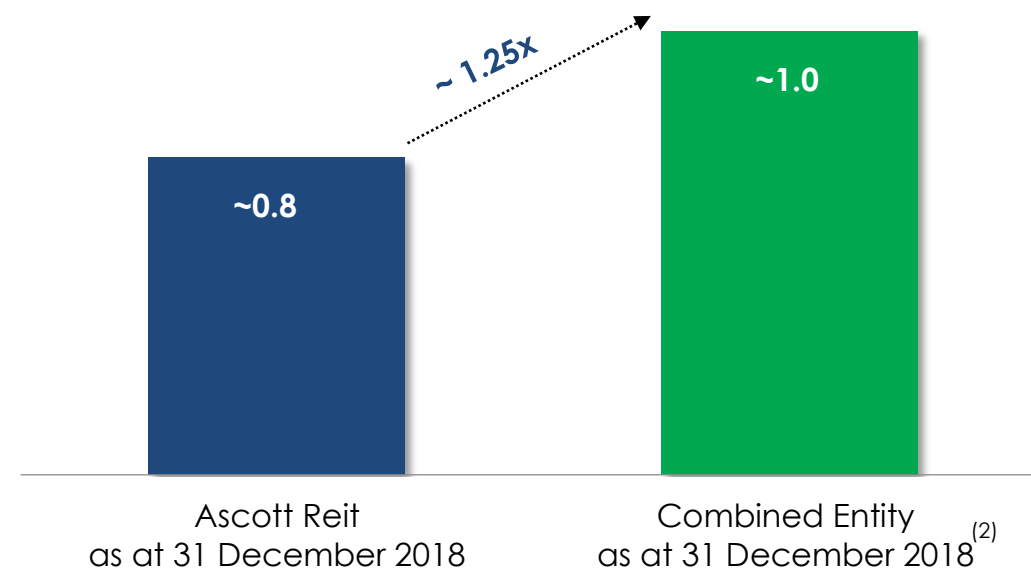


Higher debt headroom, enhancing **financial flexibility** to fund future growth

Debt headroom⁽¹⁾

(\$\$ bn)

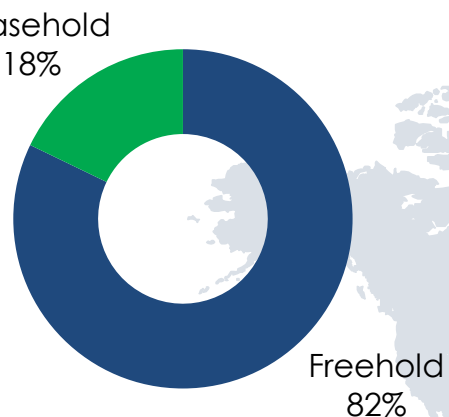
Pro forma aggregate leverage of **36.9%** represents an available debt headroom of **~\$1.0 billion**



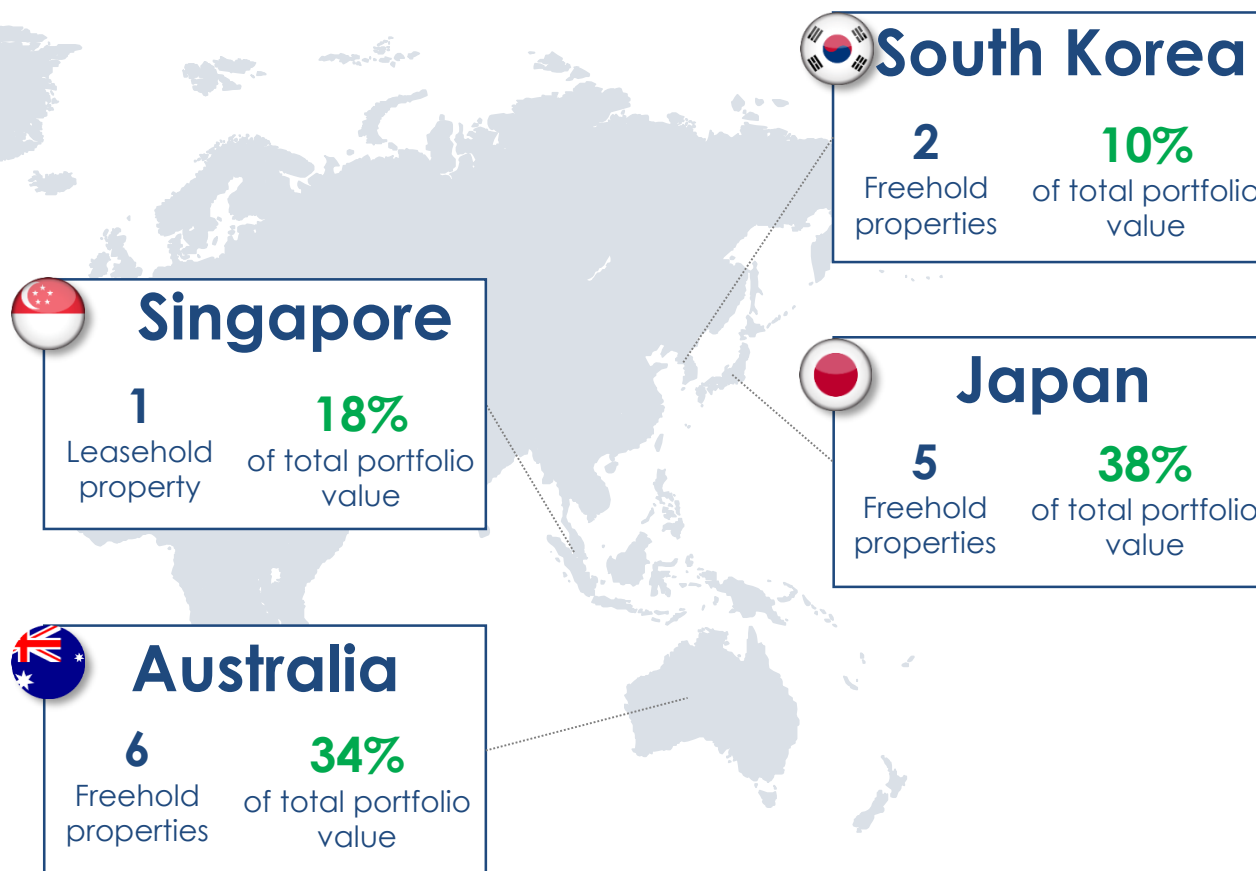
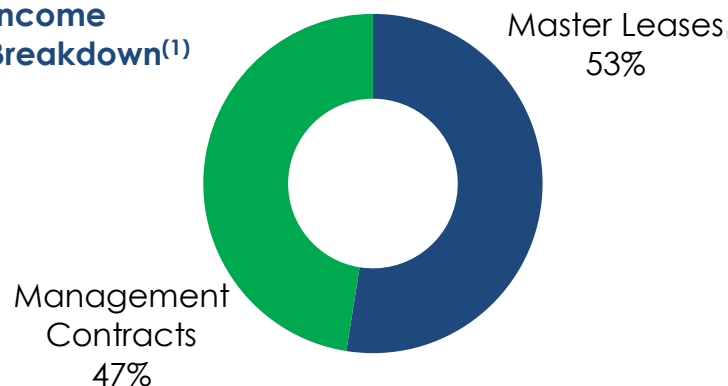
2 Enhanced Portfolio

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

Portfolio Valuation Breakdown



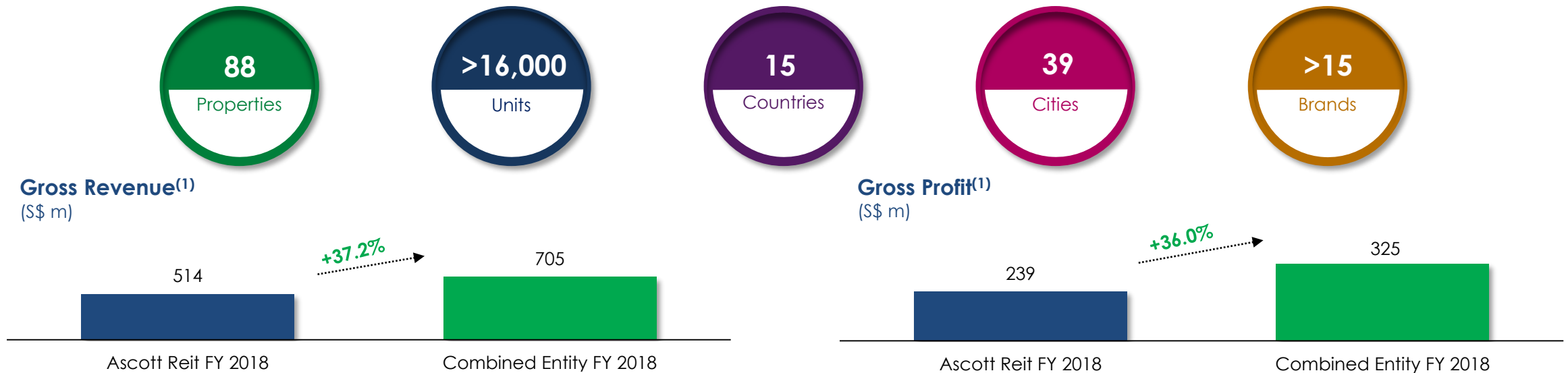
Net Property Income Breakdown⁽¹⁾



2 Enhanced Portfolio (Cont'd)

- Building a bigger hospitality portfolio

Combined Portfolio



Brands Include:



Notes: (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.

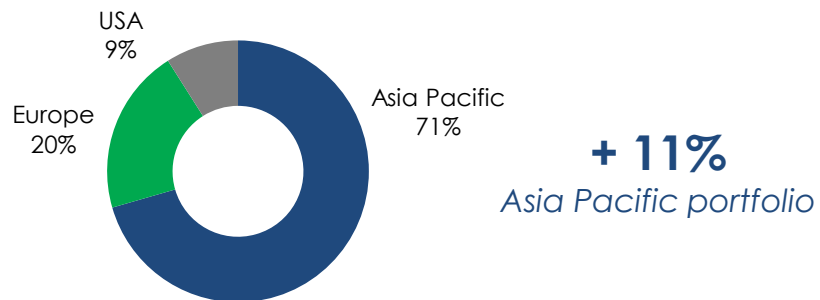
2 Enhanced Portfolio (Cont'd)

- Enhances portfolio diversification and resilience

Combined Portfolio

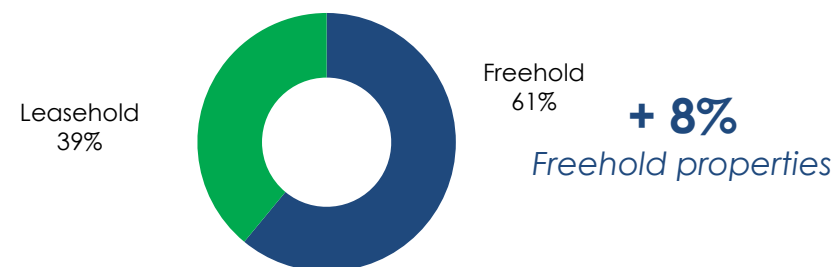
Strengthened presence in Asia Pacific

Portfolio valuation breakdown by geography⁽¹⁾



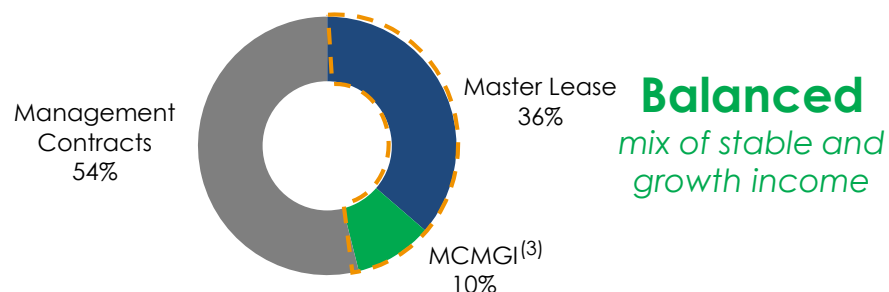
Increased freehold component

Portfolio valuation breakdown by freehold and leasehold⁽¹⁾



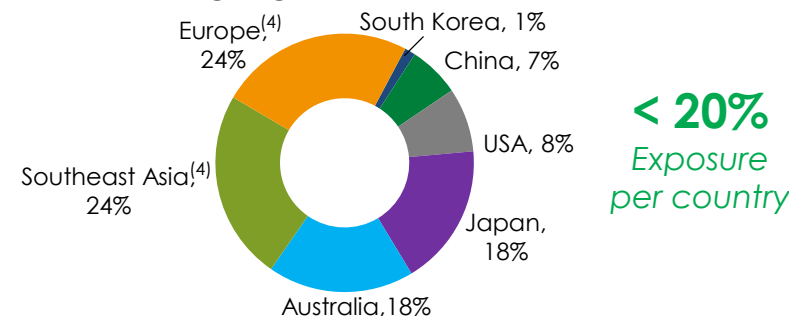
Balance between stable and growth income

Gross profit breakdown by contract type⁽²⁾



Reduced concentration risk

Gross profit breakdown by geography⁽²⁾



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%).

2 Enhanced Portfolio (Cont'd)

- Strengthen presence in Asia Pacific where the demand for business and leisure travel is 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⁾

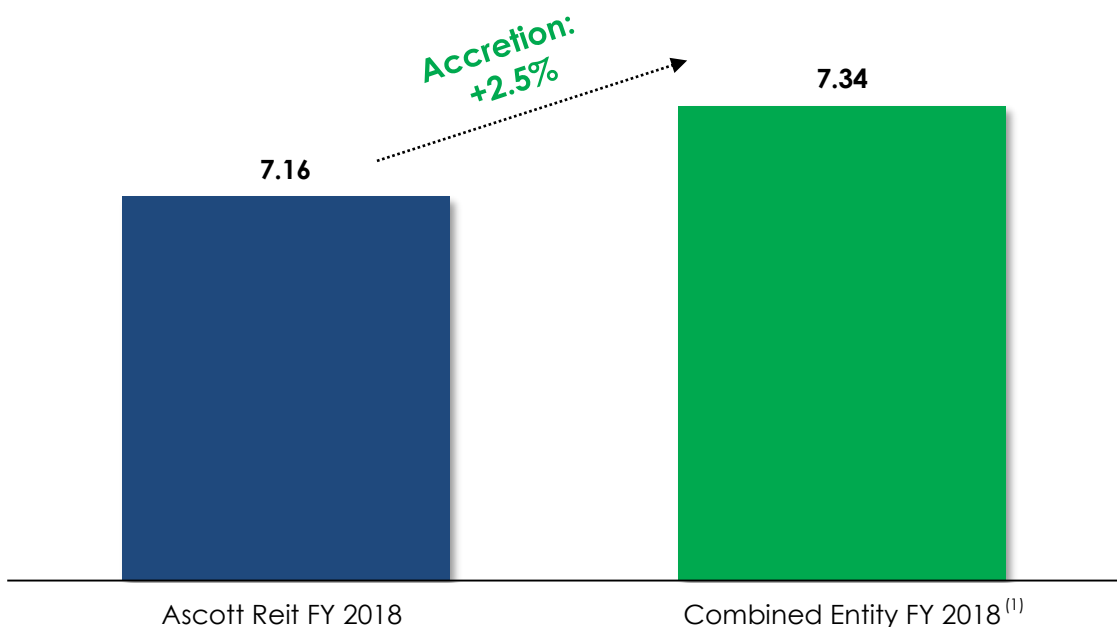
3.9% disposable income CAGR
in Asia Pacific for period 2017 to 2022
(rest of the world 1.6% to 2.3% CAGR)⁽⁶⁾

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

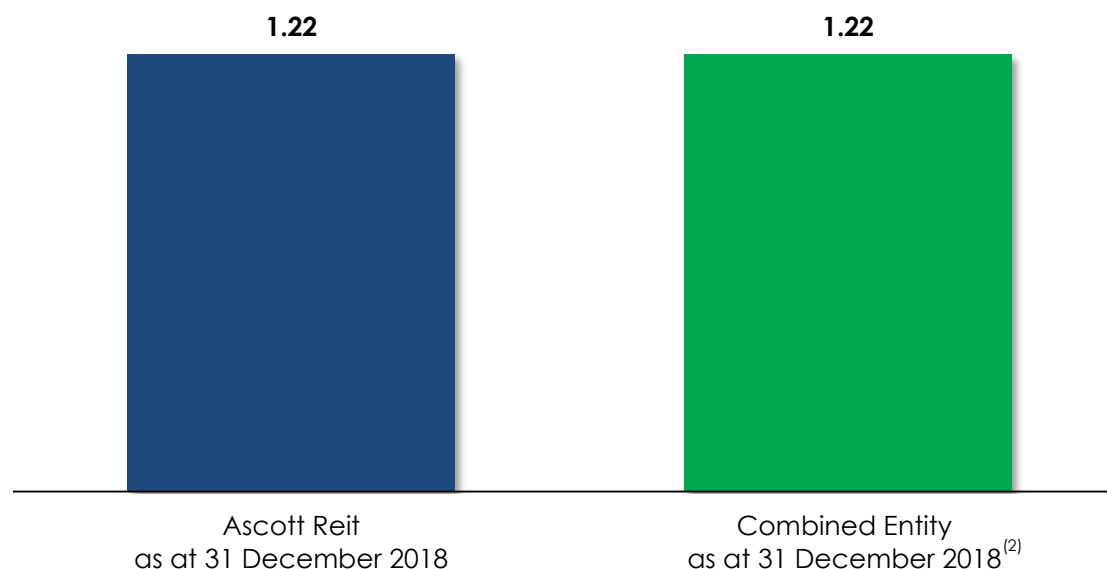
3 DPU Accretive to Unitholders

- 2.5% DPU accretion to Ascott Reit Unitholders, on a FY2018 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 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 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 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).

Unitholders' Approvals Required

- 1) Proposed Combination
- 2) Other Trust Deed Amendment

1) Approvals for the Proposed Combination

Resolutions at the Extraordinary General Meeting (“EGM”)

Approval Threshold

1.	Proposed amendments to the trust deed constituting Ascott Reit in relation to the Ascott Reit Scheme	≥75% votes
2.	Proposed Ascott Reit Acquisition	>50% votes
3.	Proposed issuance of Consideration Units	>50% votes
4.	General mandate for the issuance of new Ascott Reit-BT Stapled Units	>50% votes

Resolution at the Ascott Reit Scheme Meeting (“Scheme Meeting”)

Proposed distribution <i>in specie</i> of all Ascott BT Units and the stapling of Ascott Reit and Ascott BT units	>50% in number <u>AND</u> ≥75% in value
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Please vote in person or by proxy



2) Approval for Other Trust Deed Amendment

Reference Period for Unit Issue Price Determination for Payment of Fees

Resolution at the EGM

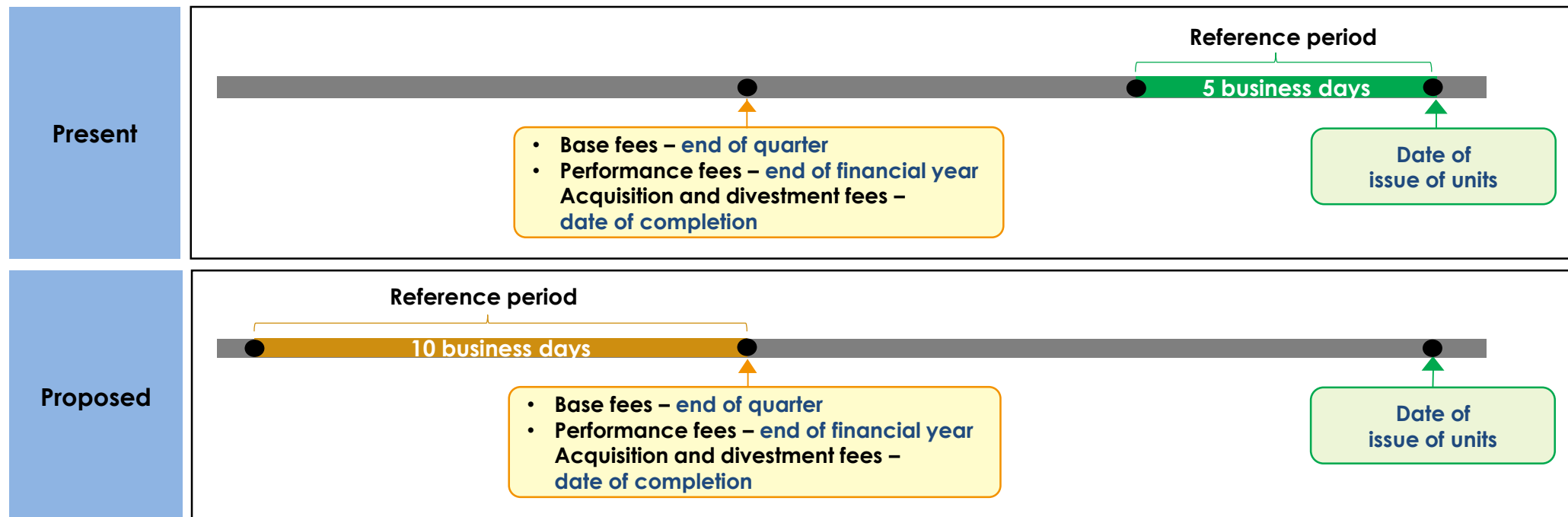
Approval Threshold

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

≥75% votes

Rationale: To provide certainty over the reference period

Reference period to determine volume weighted average price (“VWAP”) for issue of units as payment of fees:



Resolution 5 is not conditional on the passing of the other resolutions

Opinion of Independent Financial Adviser



Australia and New Zealand Banking Group Limited ACN 005 357 522
Singapore Registration Number F00002839E

Independent Financial Adviser

- 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)

Recommendations of the Directors



Independent Directors

- 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 Directors

- 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

Indicative Timeline



Indicative Timeline

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

Looking Forward



A Milestone Combination for Ascott Reit



Proxy hospitality trust in Asia Pacific

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

Facilitate Index inclusion

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

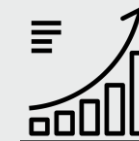


Portfolio enhancement



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

DPU accretion to Unitholders



+2.5%
FY2018
pro forma DPU



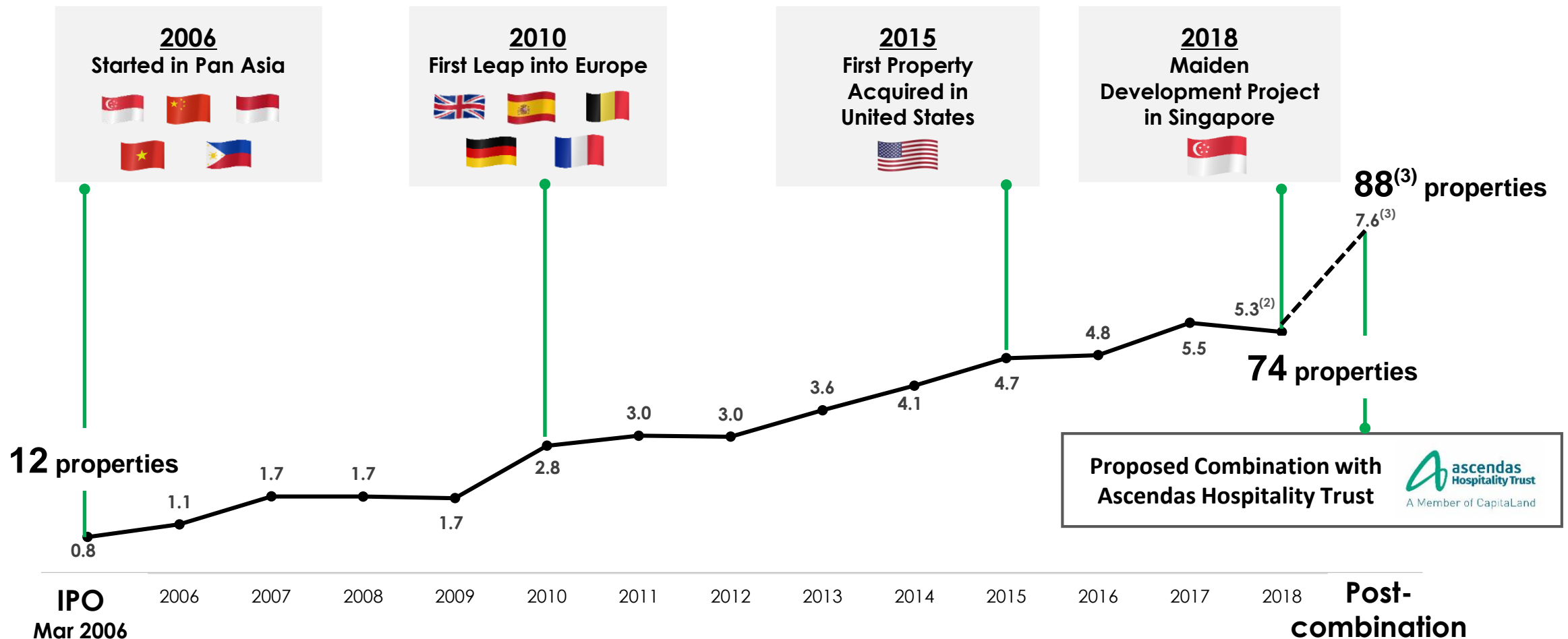
Increased flexibility to drive future growth

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

Creating the Proxy Hospitality Trust in Asia Pacific

Diversified portfolio, resilient income, lower cost of capital

Total unitholder returns of >300% since IPO, unit price up >20% YTD⁽¹⁾



Notes: (1) As at 12 September 2019 from Bloomberg. Computation of total unitholder returns assumes reinvestment of distribution back into the security. (2) The decrease in total assets was due to the utilisation of the proceeds from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an on 5 January 2018 to repay bank loans. (3) Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.

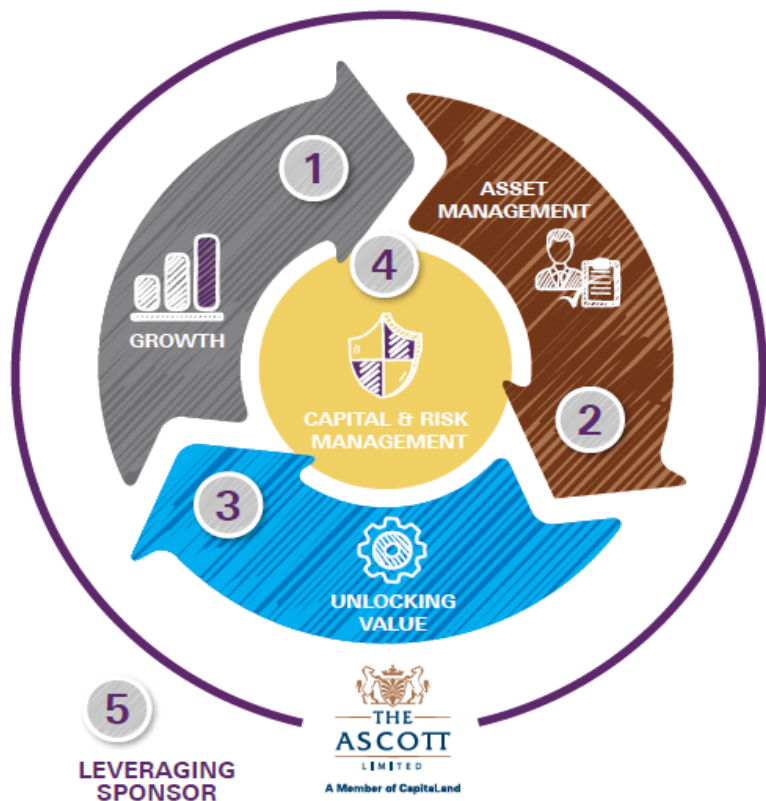
Creating Value for Unitholders



Vision:
To be the premier
hospitality trust with
quality assets in
key global cities



Mission:
To deliver stable
and sustainable
returns to
Unitholders



1 Growth by Acquisition

Selectively acquiring properties that meet the Ascott Reit-BT Managers' investment criteria

2 Active Asset Management

Actively managing the property portfolio to maximise returns through organic growth

3 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

4 Prudent Capital and Risk Management

Employing appropriate capital financing and hedging strategies to manage interest rate and foreign exchange risks

5 Leveraging Sponsor

Tapping on the expertise of The Ascott Limited, as an owner-operator in the lodging industry, and leveraging its brands and operating platforms

Leveraging Sponsor – The Ascott Limited

One of the leading international lodging owner-operators



>112,000

Serviced residence & hotel units

Includes units under development

>700

Properties



>180

Cities

>30

Countries

>30 year track record

Award-winning brands with worldwide recognition

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





Thank you



ASCOTT
RESIDENCE
TRUST

A Member of CapitalLand