



ASCOTT RESIDENCE TRUST

Ascott Real Estate Investment Trust

(A real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

Ascott Business Trust

(A business trust constituted on 9 September 2019 under the laws of the Republic of Singapore)

Managed by

Ascott Residence Trust Management Limited
(Company Registration No. 200516209Z)

Managed by

Ascott Business Trust Management Pte. Ltd.
(Company Registration No. 201925299R)

ANNOUNCEMENT

ASCOTT REIT PERMITTED DISTRIBUTIONS

INTRODUCTION

On 3 July 2019, the board of directors of Ascott Residence Trust Management Limited, as manager of Ascott Residence Trust ("**Ascott Reit**"), announced the proposed combination of Ascott Reit and Ascendas Hospitality Trust ("**A-HTRUST**") to be effected through the acquisition by Ascott Reit of all the A-HTRUST Stapled Units for an aggregate consideration of S\$1.0868 for each A-HTRUST Stapled Unit, comprising S\$0.0543 in cash and 0.7942 Ascott Reit-BT Stapled Units ("**Combination**"). On 26 September 2019, the Composite Document with respect to the Combination was despatched by the Ascott Reit Manager to Ascott Reit Unitholders ("**Composite Document**"). Terms defined in the Composite Document have the same meanings when used in this Announcement.

ASCOTT REIT PERMITTED DISTRIBUTIONS

On 10 December 2019, the Ascott Reit Manager announced the books closure date with respect to the Ascott Reit Permitted Distributions, which is:

- to be distributed to unitholders of Ascott Reit as at 5.00 p.m. on 30 December 2019 ("**Ascott Reit Entitled Unitholders**"); and
- for the period from 1 July 2019 up to (and including) the A-HTRUST Scheme Implementation Date of 31 December 2019.

The Ascott Reit Manager is pleased to announce the Ascott Reit Permitted Distribution of 4.180 Singapore cents for each Ascott Reit Unit, comprising:

- (a) Taxable income component of 0.616 cents per Ascott Reit Unit;
- (b) Tax-exempt income component of 2.935 cents per Ascott Reit Unit;
- (c) Capital component of 0.400 cents per Ascott Reit Unit; and
- (d) Other gains component of 0.229 cents per Ascott Reit Unit.

The Ascott Reit Entitled Unitholders will be entitled to the Ascott Reit Permitted Distributions, which will be paid on 10 February 2020.

DECLARATION FOR SINGAPORE TAX PURPOSES

The tax-exempt income component is exempt from tax in the hands of all Ascott Reit Entitled Unitholders. No tax will be deducted at source from this component.

The capital component of the distribution is treated as a return of capital for Singapore tax purposes.

Distribution of other gains is not taxable in the hands of all Ascott Reit Entitled Unitholders.

Tax will be deducted at source from the taxable income component in certain circumstances. The following section describes the circumstances in which tax will or will not be deducted from such component and the term “distribution” used thereafter refers to this component.

Individuals

Ascott Reit Entitled Unitholders who are individuals and who hold Units in their sole names or jointly with other individuals are not required to submit any forms and will receive a gross distribution. The distribution received by individuals (whether Singapore tax resident or not) is exempt from tax if it is not derived through a partnership in Singapore or from the carrying on of a trade, business or profession.

Qualifying Unitholders

Ascott Reit Entitled Unitholders who are Qualifying Unitholders (which term, for the avoidance of doubt, does not include individuals) will receive a gross distribution, but will have to pay income tax subsequently at their own applicable tax rates. DBS Trustee Limited, as trustee of Ascott Reit (the “**Trustee**”) and Ascott Reit Manager will be obliged to deduct tax at the rate of 17% from the distribution if the “Declaration for Singapore Tax Purposes Form” (“**Form A**”) is not returned within the stipulated time limit or is not properly completed.

Qualifying Unitholders include Singapore incorporated and tax-resident companies.

CPF/SRS Funds

Ascott Reit Entitled Unitholders who have purchased their Ascott Reit Units using moneys from their Central Provident Fund accounts or Supplementary Retirement Scheme accounts will receive a gross distribution which is tax-exempt. There is no need for such Ascott Reit Entitled Unitholders to fill up any forms.

Foreign (non-individual) Unitholders

Ascott Reit Entitled Unitholders who are Foreign (non-individual) Unitholders and who meet certain conditions will receive their Distribution net of 10% tax. The Trustee and the Ascott Reit Manager will be obliged to deduct tax at the rate of 17% from the distribution if Form A is not returned within the stipulated time limit or is not properly completed.

Nominee Unitholders

Ascott Reit Entitled Unitholders who are nominees holding their Ascott Reit Units for the benefit of individuals and Qualifying Unitholders will receive a gross distribution. Ascott Reit Entitled Unitholders who are nominees holding their Ascott Reit Units for the benefit of qualifying foreign (non-individual) investors will receive a distribution net of 10% tax. This is provided the nominees furnish certain particulars of the beneficiaries to the Trustee and Manager. These particulars are to be provided together with a declaration by the nominees of the status of the beneficiaries.

The Trustee and the Ascott Reit Manager will be obliged to deduct tax at the rate of 17% from the distribution if the "Declaration by Depository Agents for Singapore Tax Purposes Form" ("**Form B**") is not returned within the stipulated time limit or is not properly completed.

Joint Unitholders and All Other Unitholders

Ascott Reit Entitled Unitholders who hold their Ascott Reit Units jointly (other than those held jointly by individuals) as well as Ascott Reit Entitled Unitholders who do not fall within the categories described above will receive their distribution net of 17% tax. These Ascott Reit Entitled Unitholders do not need to return any forms.

DECLARATION IN INCOME TAX RETURN

The distribution is considered as income for the year 2019. Beneficial owners of the distribution, other than those who are exempt from tax on the distribution or who are entitled to the reduced tax rate of 10%, are required to declare the gross distribution as taxable income in their income tax return for the year of assessment 2020.

By Order of the Board

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

(Company Registration No. 200516209Z)
As manager of Ascott Real Estate Investment Trust

ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

(Company Registration No. 201925299R)
As trustee-manager of Ascott Business Trust

Karen Chan
Company Secretary
30 January 2020

Any queries relating to this Announcement or the Combination should be directed to one of the following:

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IMPORTANT NOTICE

The value of the Ascott Reit-BT Stapled Units and the income derived from them may fall as well as rise. The Ascott Reit-BT Stapled Units are not obligations of, deposits in, or guaranteed by, the Ascott Reit Manager or Ascott Business Trust Management Pte. Ltd., as trustee-manager of Ascott Business Trust (collectively, the “**Managers**”) or any of their respective affiliates. An investment in the Ascott Reit-BT Stapled Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Managers to redeem their Ascott Reit-BT Stapled Units while the Ascott Reit-BT Stapled Units are listed. It is intended that Ascott Reit-BT Stapled Unitholders may only deal in their Ascott Reit-BT Stapled Units through trading on the SGX-ST. Listing of the Ascott Reit-BT Stapled Units on the SGX-ST does not guarantee a liquid market for the Ascott Reit-BT Stapled Units. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Ascott Reit-BT Stapled Units. The past performance of Ascott Reit-BT Stapled Units is not necessarily indicative of the future performance of Ascott Residence Trust.

This announcement may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 the Managers’ current view on future events.