CAPITALAND ASCOTT TRUST

A stapled group comprising:

CapitaLand Ascott Real Estate Investment Trust
(A real estate investment trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

Managed by
CapitaLand Ascott Trust Management Limited
(Company Registration No. 200516209Z)

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

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

ANNOUNCEMENT

Extraordinary General Meeting to be held on 26 September 2025
Responses to Substantial and Relevant Questions

The Managers of CapitaLand Ascott Trust ("**CLAS**") would like to thank all Stapled Securityholders who have submitted their questions in advance of our Extraordinary General Meeting (**"EGM"**) to be held at 10:00 am on Friday, 26 September 2025.

Please refer to our responses to these substantial and relevant questions in the following pages. Capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 8 September 2025 to Stapled Securityholders (the "**Circular**").

The CEO of CLAS' Managers, Ms Serena Teo will deliver a presentation to Stapled Securityholders at the EGM. Please refer to the EGM presentation slides and all EGM-related documents at: https://investor.capitalandascotttrust.com/agm_egm.html.

Following the conclusion of the EGM, the voting results of the EGM will be uploaded on SGXNet and made available on CLAS' website. The minutes of the EGM will be published on SGXNet and CLAS' website on or before 26 October 2025.

By Order of the Boards

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED
(Company Registration No. 200516209Z)
As Manager of CapitaLand Ascott Real Estate Investment Trust

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
(Company Registration No. 201925299R)
As Trustee-Manager of CapitaLand Ascott Business Trust

Hon Wei Seng
Lee Wei Hsiung
Company Secretaries
19 September 2025

Important Notice

The past performance of CapitaLand Ascott Trust ("**CLAS**") is not indicative of future performance. The listing of the stapled securities in CLAS (the "**Stapled Securities**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, CapitaLand Ascott Trust Management Limited, as manager of CapitaLand Ascott Real Estate Investment Trust, or CapitaLand Ascott Business Trust Management Pte. Ltd., as trustee-manager of CapitaLand Ascott Business Trust (collectively, the "**Managers**"), or any of their respective affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.

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<tr><td>1.</td><td>The proposed divestment (Proposed Divestment) of Citadines Central Shinjuku Tokyo (the Property) at JPY25 billion is at a premium of about 40% to the latest independent valuations and about twice the reported book value as at 30 June 2025.

Are there specific market dynamics in Tokyo that have enabled the asset to be monetised at such significant premiums? Related to that, are CLAS' asset values materially understated or overly conservative?</td></tr>
<tr><td></td><td>The Japan hospitality market has demonstrated growth since the Covid-19 pandemic, drawing significant interest from investors eager to invest in the sector. In the first half of 2025, Japan was one of CLAS' top-performing markets, with both revenue and gross profit from the Japan portfolio increasing by 12% year-on-year. On a same-store basis, the revenue and gross profit of CLAS' Japan portfolio grew by 7% and 9% year-on-year, respectively. The revenue per available unit (RevPAU) performance of CLAS' Japan properties has surpassed pre-Covid-19 levels, underscoring the market's robust recovery.

Focusing on the Shinjuku sub-market, the Property has a prime location in the heart of Shinjuku, near the JR Shinjuku Station East exit. Shinjuku is located centrally and is one of Tokyo's most prominent commercial districts with major retail hubs, and extensive transportation connectivity. It is also a key accommodation and tourism node, attracting both domestic and international visitors. Furthermore, the supply of new hotels in Shinjuku is expected to remain limited.

Regarding asset valuations, CLAS' properties undergo annual valuations performed by independent valuers. For the Proposed Divestment, two independent valuations were obtained. As at 10 July 2025, Cushman & Wakefield K.K. valued the property at JPY18.1 billion (approximately S$161.2 million) and Colliers International Japan KK valued it at JPY17.5 billion (approximately S$155.9 million). The divestment consideration of JPY25.0 billion (approximately S$222.7 million) represents an approximate 40.4% premium to the average of the two independent valuations. The divestment consideration was negotiated on a willing-buyer and willing-seller basis, and the valuations reflect the valuers' independent views on the properties' performance and outlook.</td></tr>
<tr><td>2.</td><td>It seems counter intuitive that by using the divestment proceeds to repay debt, there will be a 1% accretion to CLAS' Distribution per Stapled Security (DPS), despite the loss of recurring income from the asset.

Does this imply that the Property was yielding below the cost of debt? Could you help reconcile this point?</td></tr>
<tr><td></td><td>In the Circular, for illustrative purposes, we have assumed that the net proceeds from the Proposed Divestment will be used to repay existing debt with an effective interest rate of 4.6% per annum, which is higher than the exit EBITDA yield of 3.2%. The effective interest rate of 4.6% was determined based on the actual interest expense for FY2024 incurred on the loans identified for repayment.

DPS accretion is positive as the savings from the interest paid in relation to the debt repaid, which includes debt for the Property, exceeds the loss of income from the divestment.

The loss of income from the Proposed Divestment is approximately S$6.0 million, and the interest savings on repayment of higher-interest debt is approximately S$8.3 million.</td></tr>
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3.	**In the announcement, the net gain after tax is S$50.8 million but the premium over book value is approximately S$111 million. Tax expenses were estimated to be S$34 million which sounds quite substantial.** **What are the other transaction fees involved? Can you reconcile how we went from S$111 million in premium over book value to just S$50.8 million in net gains?**
	Tax expenses (comprising corporate income tax and dividend withholding tax) form the majority of the expenses relating to the Proposed Divestment. In addition, we are realising the foreign exchange impact arising from the depreciation of the Japanese Yen (JPY) since the Property was acquired in 2014. To a lesser extent, there are transaction-related costs, including professional fees and administrative expenses.
4.	**Is this still a compelling divestment after all the transaction costs and taxes, and where are the attractive spots for the Managers to redeploy capital given today's macroeconomic and geopolitical environment?**
	Yes, the Proposed Divestment is a compelling opportunity for CLAS to unlock the value from the Property. The letter from the Independent Financial Adviser in the Circular includes a comparison of the Property against other properties and transactions in Tokyo. The estimated price per key and valuation per gross floor area for the Property are higher than the median and average metrics for the comparable properties and transactions. Built in 2008, the Property has not undergone major renovation since CLAS acquired it in 2014. The Property has become dated and necessitates substantial capital expenditure and temporary closure to enhance its operational performance and maintain competitiveness. By divesting the property, CLAS can redeploy the proceeds more effectively into other uses. Assuming the net proceeds are used to repay debt, and accounting for the loss of income from the divestment, DPS accretion is expected to be 1.0% on a FY2024 pro forma basis, as the savings from the interest paid in relation to the debt repaid, which includes debt for the Property, exceeds the loss of income from the divestment. CLAS may also use the proceeds to fund AEIs, reinvest in higher-yielding properties and/or for general corporate purposes. At present, CLAS has announced four AEIs which will take place over 2025 to 2027 with a total capital expenditure of about S$205 million, of which CLAS' investment is approximately S$145 million. AEI projects in the pipeline include The Cavendish London and Sydney Central Hotel.

5.	**Given the significant disposal gains, do the Managers intend to reward Stapled Securityholders with a substantial special distribution?**
	We intend to redeploy the proceeds more effectively into other uses that are DPS accretive, thereby enhancing the core distribution income for CLAS in a sustainable manner. These include repaying higher-interest rate debt, funding AEI, or reinvesting in higher-yielding properties and/or for general corporate purposes. CLAS has committed to delivering stable distributions to Stapled Securityholders, through enhancing core distribution income from its operating performance and distributing non-periodic and/or divestment gains when appropriate. The divestment gain of approximately S$50.8 million provides CLAS with greater flexibility to distribute divestment gains, to mitigate the short-term impact of AEIs or macroeconomic downturns, when appropriate. In both FY2020 and FY2021, CLAS distributed S$45 million to mitigate the impact of Covid-19 on distributions and to share past divestment gains with Stapled Securityholders.
6.	**As at 30 June 2025, about 43% of CLAS' total debt was denominated in JPY. Following the divestment, what proportion of CLAS' total debt will be JPY-denominated? How do we expect the cost of JPY-denominated debt to change in 2026?**
	Assuming part of the divestment proceeds is used to repay the JPY-denominated debt for the Property, we expect the proportion of JPY-denominated debt for CLAS to reduce slightly, from 43.4% as at 30 June 2025 to 42.6%. To mitigate the impact of interest rate movements, we undertake a higher proportion of fixed-rate debt. In Japan, our loan tenures typically range from five to seven years. While the cost of JPY-denominated debt has risen over the past year, our 2025 acquisitions have been DPS accretive. This is due to the positive spread against the properties' net operating income yields of around 4%. If interest rates in Japan continue to rise, we may allocate a larger portion of divestment proceeds to fund new acquisitions. As at 30 June 2025, CLAS' overall cost of debt was 2.9% per annum, with approximately 82% of the debt effectively on fixed rates. We expect the overall cost of debt at the portfolio level to remain stable for the rest of the year.
7.	**Given the prime location and positive outlook of the Japan market, did the Managers consider redeveloping the Property with the Sponsor, instead of divesting it?**
	For value-added funds seeking to maximise returns on investment, the Property could present a potential opportunity to unlock additional value through an AEI. However, CLAS, as a distribution-paying fund, must consider factors such as the impact of downtime during an AEI. Given that the Property has become dated and necessitates substantial capital expenditure, such as significant mechanical and engineering upgrades, it would need to be temporarily closed for the AEI. This closure would affect CLAS' income, and the need to draw on debt to fund the AEI could impact CLAS' gearing. By divesting the Property, CLAS can unlock the value from the Property. The returns from the divestment are expected to be more compelling when the proceeds are used to repay higher-interest rate debt, fund other AEIs, reinvest in higher-yielding properties and/or for general corporate purposes.

8.	**Following the Proposed Divestment, which asset class will CLAS be focusing on in Japan?**
	Japan remains a key market for CLAS. As at 31 August 2025, CLAS has 33 properties in Japan, across all asset classes. This includes six hospitality assets (including the Property), 26 rental housing properties and a student accommodation property. CLAS actively reconstitutes the portfolio to enhance its quality and yield. In 2024, CLAS divested five properties in Japan, and in 2025, reinvested part of the divestment proceeds into acquiring two hotels and three rental housing properties. These acquisitions are DPS accretive, with the income from the newly acquired properties expected to more than fully replace the income from the divestments. CLAS will continue to evaluate opportunities to reconstitute the portfolio to enhance DPS accretion across all lodging asset classes. In the medium term, CLAS targets to increase its asset allocation towards the living sector from about 17% currently to 25-30%, with the remaining 70-75% in serviced residences and hotels. Living sector properties provide a stable income base for CLAS, while hospitality assets offer the potential to capitalise on travel upswings.
9.	**Why are the Managers of CLAS divesting the Property to an unrelated third party, ML Estate Co., Ltd. (the Purchaser), who will subsequently sell it to CapitaLand Japan Kabushiki Kaisha (CJKK), an indirect wholly owned subsidiary of CapitaLand Investment Limited, rather than selling it directly to CJKK?**
	As part of the sale process for the Property, third party brokers had been appointed to obtain bids from potential buyers and the Managers also considered unrepresented bids. Pursuant to the sale process, five bids were received, and the Managers accepted the bid from the highest bidder. The highest bidder was CJKK, and CJKK was granted exclusivity to negotiate the sale. During the negotiations, CJKK informed the Vendors that it has designated the Purchaser, which is an unrelated third party to the Vendors or CLAS, as the entity which would acquire the Property to warehouse the Property for CJKK. The Purchaser is an affiliate of Mizuho Financial Group, one of Japan's leading financial institutions, and provides a wide range of services including corporate real estate support, real estate leasing, and bridge financing. CJKK is providing acquisition and investment management services to the Purchaser in relation to the Proposed Divestment and CJKK has entered into an Exclusivity Agreement with the Purchaser where the Purchaser has agreed to grant CJKK (or such third party designated by CJKK) the right to preferentially negotiate and acquire the Property. During the term of the Exclusivity Agreement, the Purchaser will not engage in any sales activity with any third party other than with CJKK and will as soon as practicable execute a sale and purchase agreement for the Property substantially in the form attached to the Exclusivity Agreement upon receipt of a notice from CJKK. The Managers are not involved in the negotiations of the Exclusivity Agreement and CLAS is not a party to the Exclusivity Agreement.