

**CIRCULAR DATED**  
**15 AUGUST 2022**  
**THIS CIRCULAR IS IMPORTANT**  
**AND REQUIRES YOUR IMMEDIATE ATTENTION.**



**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

**Ascott Residence Trust Management Limited**

**Ascott Business Trust**

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

Managed by

**Ascott Business Trust Management Pte. Ltd.**

**CIRCULAR TO STAPLED SECURITYHOLDERS IN RELATION TO:**

**The proposed acquisition of interests in serviced residence properties in France, Vietnam and Australia, rental housing properties in Japan and a student accommodation property in South Carolina, US at an aggregate purchase consideration of S\$215.2 million from interested persons and entry into master leases, management agreements and France loan assignment documents**

Singapore Exchange Securities Trading Limited (the “SGX-ST”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this circular dated 15 August 2022 (the “Circular”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional or independent adviser immediately.

If you have sold or transferred all your stapled securities (“**Stapled Securities**”) in Ascott Residence Trust (“**ART**”), you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting (“**Notice of EGM**”) and the Proxy Form) may be accessed at ART’s website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements>.

Independent Financial Adviser to the Independent Directors and the Audit Committee of Ascott Residence Trust Management Limited and to the Trustee






**Deloitte & Touche**  
**Corporate Finance Pte Ltd**

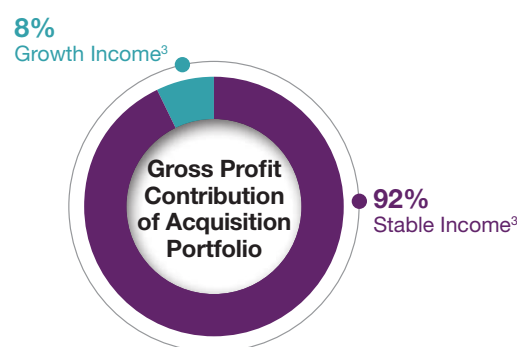
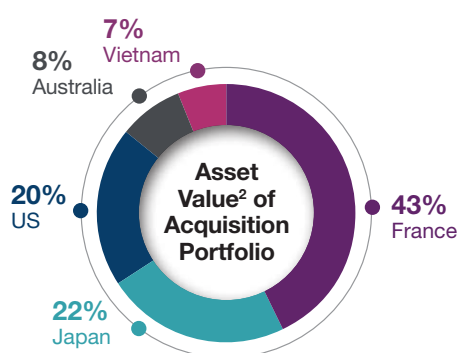
**IMPORTANT DATES AND TIMES FOR STAPLED SECURITYHOLDERS**





Events	Date and Time
Last date and time for pre-registration for Extraordinary General Meeting (“ <b>EGM</b> ”) and lodgement of Proxy Form	<b>7 September 2022 (Wednesday)</b> at 2.00 p.m.
Date and time of EGM held at the physical location below and by way of electronic means	<b>9 September 2022 (Friday)</b> at 2.00 p.m.
Physical location of EGM	168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912

# OVERVIEW OF TRANSACTION

- Proposed acquisition of **S\$318.3 mil<sup>1</sup>** in assets in France, Japan, Vietnam, US and Australia, **strengthening presence in ART's key markets**
- Accretive acquisition of 9 good quality properties** expected to enhance ART's income resilience and consolidate its position as the largest hospitality trust in Asia Pacific
- Distribution per Stapled Security (DPS) accretion of 2.8%**, assuming the total acquisition cost of S\$263.5 mil is funded by **debt and/or the proceeds from a private placement**
- Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, ART's assets under management (AUM) will increase **from S\$7.7 bil as at 31 December 2021 to S\$8.3 bil**

	FRANCE	JAPAN	VIETNAM	US	AUSTRALIA	Total
						
	1 serviced residence	5 rental housing	1 serviced residence	1 student accommodation	1 serviced residence	
Number of units	112	427	132	247 (679 beds)	100	1,018



	No. of properties	Lodging types	Contract types <sup>4</sup>
 <b>Pre-Acquisitions</b> (as at 31 Mar 2022)	 <b>95 properties</b>	<b>54</b> serviced residences <b>18</b> hotels/business hotels <b>14</b> rental housing <b>9</b> student accommodation	<b>31</b> master leases <b>4</b> MCMGI <sup>6</sup> <b>58</b> management contracts
 <b>Post-Acquisitions<sup>5</sup></b>	 <b>107 properties</b>	<b>57</b> serviced residences <b>18</b> hotels/business hotels <b>23</b> rental housing <b>9</b> student accommodation	<b>33</b> master leases <b>4</b> MCMGI <sup>6</sup> <b>68</b> management contracts

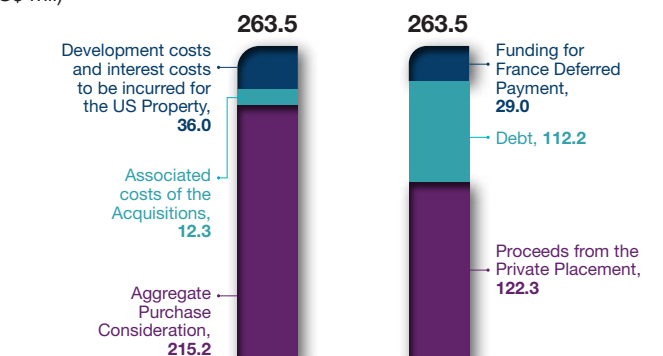
## Method of Financing

ART intends to finance the Aggregate Purchase Consideration<sup>7</sup> and the total costs relating to the Acquisitions with **debt and/or proceeds from the private placement** to institutional, accredited and other investors, so as to ensure that the Acquisitions will provide overall DPS accretion to Stapled Securityholders while maintaining an optimum level of aggregate leverage.

The final decision regarding the financing to be employed for the purposes of financing the Acquisitions will be made by the Managers at the appropriate time taking into account the then prevailing market conditions and interest rate environment, availability of alternative funding options, the impact on ART's capital structure, DPS and debt expiry profile and the covenants and requirements associated with each financing option.

ART's aggregate leverage on a *pro forma* basis would be 38.5%, well below the aggregate leverage limit of 45.0% set by MAS under the Property Funds Appendix.

(S\$'mil)



### Notes:

- Refers to total capitalised costs excluding the outstanding development cost and interest expense to be incurred for Standard at Columbia.
- Refers to total capitalised costs including outstanding development cost and capitalised interest expense.
- Stable income sources include master leases, management contracts with minimum guaranteed income, rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels.
- Excluding properties under development.
- Including acquisitions announced and/or completed up to 31 March 2022.
- Management contracts with minimum guaranteed income.
- The financing for the France Deferred Payment will not be made at the same time as the financing for the remaining portion of the Aggregate Purchase Consideration as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee's renovation works have been completed in accordance with the terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date). This is to align the France Master Lessee's interest with ART's such that the renovation will be substantially completed. The Managers will evaluate the various funding options available when the France Deferred Payment is due, and the mode of financing for the France Deferred Payment will be made by the Managers at the appropriate time.



# ACQUISITION PORTFOLIO

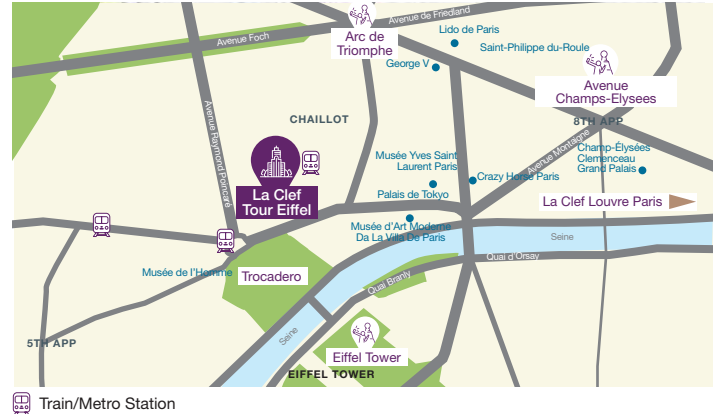
## La Clef Tour Eiffel

Luxury serviced residence in central Paris on a fixed-rent master lease

Location: **Paris, France** | Lodging Type: **Serviced residence** | Units: **112** | Contract Type: **Master lease**



La Clef Tour Eiffel is located in the heart of Paris, one of the most visited cities in the world. It is a well-located luxury serviced residence within a 5-to-10-minute drive from high profile tourist districts including the Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs-Élysées. It is conveniently located within a 2-minute walk from the nearest Metro Station, Trocadéro and a 25-minute drive away from the international airport, Paris-Charles De Gaulle Airport. The property has 112 apartment units which come equipped with modern amenities. Facilities include a restaurant and a gym.



Train/Metro Station

After completion of the Acquisitions, asset enhancement works will be carried out to refresh the property, which was last renovated in 2014. Targeted to complete by end-2024, the asset enhancement works will encompass replacement of fixtures, furniture and equipment in the bedrooms as well as the bathrooms, and the refurbishment of the lobby and lounge area. Post refurbishment, the property will reinforce its upmarket positioning and command a higher room rate. This will in turn enhance the rent sustainability of the property.

## 5 Japan Rental Housing Properties

Expanding footprint in the resilient rental housing asset class for stable income

Location: **Osaka, Nagoya, Hyogo, Kyoto – Japan** | Lodging Type: **Rental housing** | Units: **427** | Contract Type: **Management contract**

**House Saison Shijo-dori** is a 190-unit freehold property located in the Shimogyo Ward and within walking distance to the prime office and retail belt of Kyoto city, Shijo Karasuma. High profile tourist attractions including Nishiki Market, Shinkyogoku Shopping Street Union and the Kyoto Imperial Palace are within a 10-minute drive from the property. It is also highly accessible with 2 subway stations, the Shijo Subway Station and Kyoto Station, located within a 10-minute walk. Due to its proximity to the office belt in Kyoto, there is a high demand for rental apartments in the area by corporate guests.

**S-Residence Shukugawa** is a 33-unit freehold property located in Shukugawa, Hyogo, which is a residential district that is highly sought-after by those working in Osaka and Kobe. Umeda and Sannomiya, the central business districts of Osaka and Kobe respectively, are a 30-minute drive away. The property provides convenience to families with its proximity to numerous schools and to the nearest train station, which is a 6-minute walk away.

**Residential district with numerous schools**, highly sought-after by those working in Osaka and Kobe

Walking distance to **prime office and retail belt**, Shijo Karasuma, and a **10-minute drive from high-profile tourist attractions**

Walking distance to **CBD** and close to **key tourist attractions** and **shopping districts**

### Hyogo

**1 property**  
S-Residence  
Shukugawa

### Kyoto

**1 property**  
House Saison  
Shijo-dori

### Nagoya

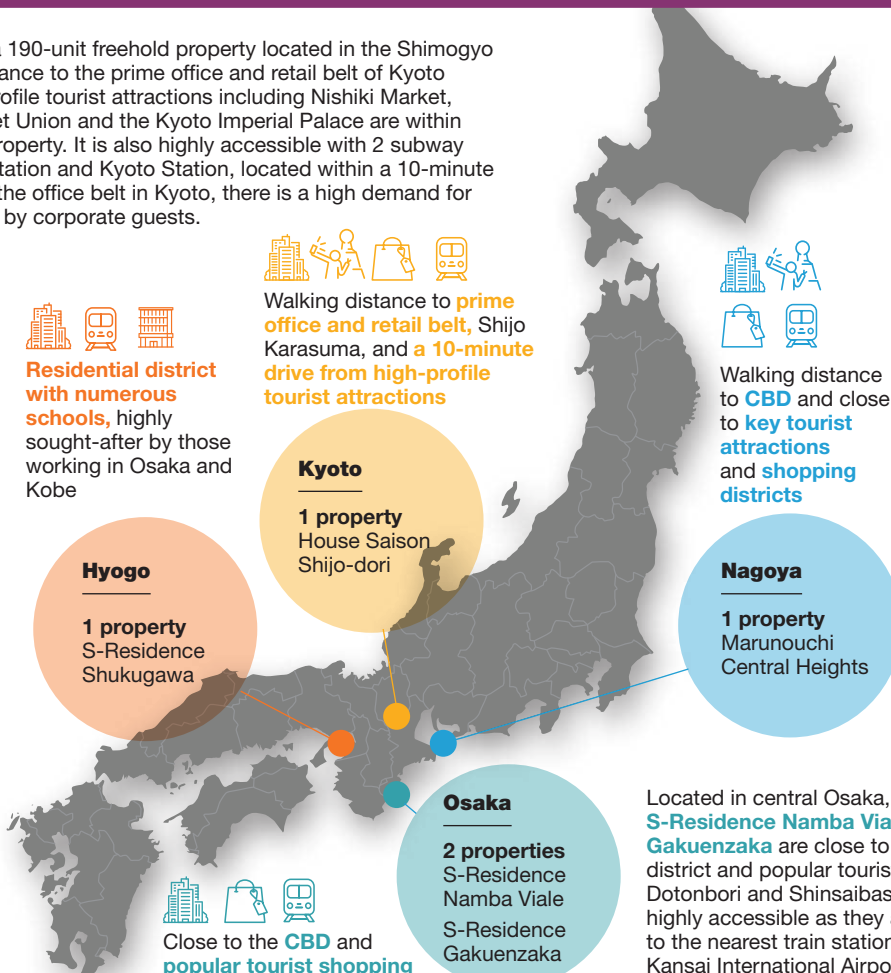
**1 property**  
Marunouchi  
Central Heights

### Osaka

**2 properties**  
S-Residence  
Namba Viale  
S-Residence  
Gakuenzaka

Close to the **CBD** and **popular tourist shopping districts** of Dotonbori and Shinsaibashi

Located in central Osaka, the freehold 116-unit **S-Residence Namba Viale** and 58-unit **S-Residence Gakuenzaka** are close to the major central business district and popular tourist shopping districts of Dotonbori and Shinsaibashi. The properties are also highly accessible as they are within a 7-minute walk to the nearest train station and 40-minute drive to the Kansai International Airport.



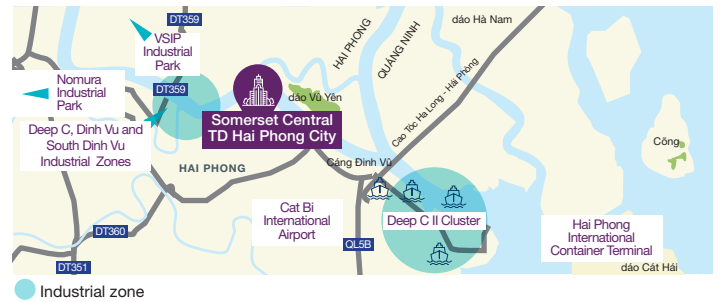
## Somerset Central TD Hai Phong City

Serviced residence well-positioned to capture corporate and long-stay demand in the growth market of Hai Phong, Vietnam

Location: **Hai Phong, Vietnam** | Lodging Type: **Serviced residence** | Units: **132** | Contract Type: **Management contract**



Somerset Central TD Hai Phong City is a serviced residence located in the growth city of Hai Phong. Hai Phong is the third largest city and one of the largest industrial hubs and ports of Vietnam. A 10-minute drive from the Cat Bi International Airport and 15-minute drive from 3 industrial parks – Deep C, Dinh Vu and South Dinh Vu Industrial Zone, the property is well-positioned to capture the demand arising from foreign direct investment and business activities in the city.



Part of an integrated development and with a multitude of international schools, shopping malls and hospital facilities encircling the residence, it also offers the most ideal location for long-staying guests. The property consists of 132 apartment units, furnished with kitchenettes. Facilities include a restaurant, gym, resident's lounge and swimming pool.

The property has an estimated pre-COVID-19 EBITDA<sup>1</sup> yield of about 9.7%.

Note:

1. Earnings before net interest expense, tax, depreciation and amortisation.

## Standard at Columbia

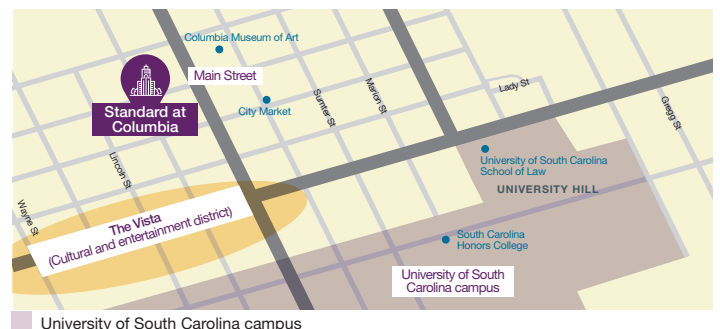
Acquiring an enlarged stake in a prime, pedestrian student accommodation asset at an attractive price

Location: **South Carolina, US** | Lodging Type: **Student accommodation** | Units: **247 (679 beds)** | Contract Type: **Management contract**



Standard at Columbia is a freehold purpose-built student accommodation which will serve over 35,000 students from the nearby University of South Carolina, the largest university in the state. ART currently holds a 45.0% stake in the development, and construction is scheduled to complete in 2Q 2023.

Situated in a prime location in downtown Columbia, the property will offer 679 beds across 247 units and is close to a plethora of food and



entertainment options. It will provide fully furnished studios as well as 1-bedroom to 5-bedroom units.

Each unit comes with a fully equipped shared kitchen, as well as appliances such as a washer and dryer. Community amenities include a fitness centre, study lounges, a coffee bar, and jumbotron TV on an elevated amenity deck with swimming pool and cabanas.

## Quest Cannon Hill

Serviced residence on master lease, recovery supported by strong domestic demand

Location: **Brisbane, Australia** | Lodging Type: **Serviced residence** | Units: **100** | Contract Type: **Master lease**



Quest Cannon Hill is strategically positioned in the emerging suburb of Cannon Hill and located within a 5-minute walk to the Cannon Hill train station with direct access to the Brisbane CBD. The property is located within a retail and commercial precinct, and it is a 5-minute walk to the Southgate Business Park.

It is also a 10-minute drive to the Metroplex on Gateway Estate and Port of Brisbane industrial areas.



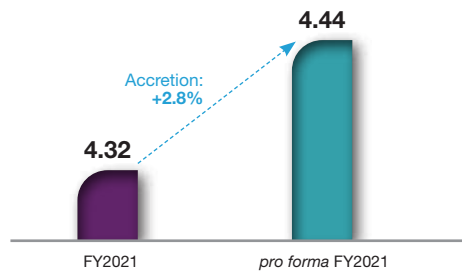
The property is less than 5 years of age and consists of 100 units, ranging from studio to 2-bedroom apartment units. Facilities include a meeting room, gymnasium, pool, and barbecue area.

The property is operated by Quest Apartment Hotels, a member of The Ascott Limited and the largest apartment hotel brand in Australasia with more than 170 properties.

# RATIONALE

## Enhance DPS to Stapled Securityholders

### Distribution per Stapled Security (DPS) (Singapore cents)



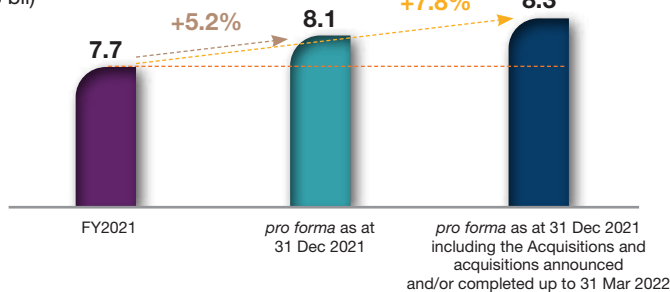
On a FY2021 *pro forma* basis, total distribution is expected to increase by S\$9.2 mil following the Acquisitions.

Assuming the total acquisition cost of S\$263.5 mil is approximately **54.0% funded by debt**, FY2021 DPS is expected to increase from 4.32 cents to 4.44 cents, translating to a **DPS accretion of 2.8%**<sup>1</sup>.

## Consolidate ART's Position as the Largest Hospitality Trust in Asia Pacific

As at 31 December 2021, ART's AUM was S\$7.7 bil. Including the Acquisitions, ART's AUM is expected to **increase by a further S\$0.4 bil to S\$8.1 bil**.

### Total Assets (S\$'bil)



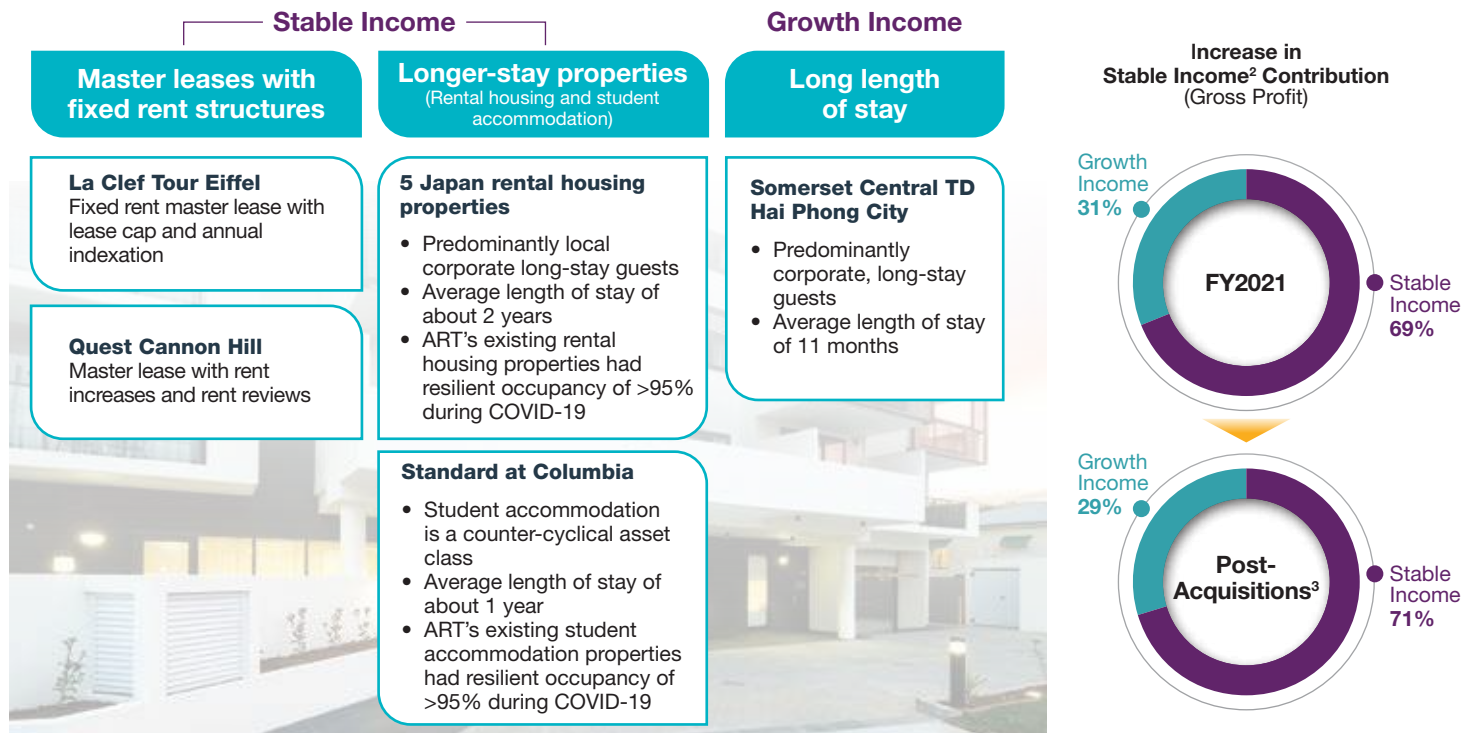
In the first quarter of FY2022, ART completed the acquisition of Paloma Kent (formerly known as Latitude at Kent) and announced the turnkey acquisition of 4 rental housing properties and 1 student accommodation property in Japan, which boosts the AUM by S\$0.2 bil.

Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the **AUM will increase to S\$8.3 bil**.

With the Acquisitions, ART will remain Asia Pacific centric with total assets in Asia Pacific comprising around 61.0% of ART's total assets, and Europe and the Americas comprising around 20.0% and 19.0% respectively. A geographically diversified portfolio ensures that there is no concentration risk in any country, providing Stapled Securityholders with income resilience at different points of the market cycle. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the total assets contribution from Asia Pacific, Europe and the Americas is 62.0%, 19.0% and 19.0% respectively.

## Increase Income Resilience with Higher Proportion of Stable Income

In line with the Managers' strategy to build a base of stable income streams, the Acquisitions are expected to increase the proportion of ART's stable income **from 69.0% to 70.0% on a pro forma basis**. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the proportion of ART's stable income, on a *pro forma* basis, will increase to 71.0%.



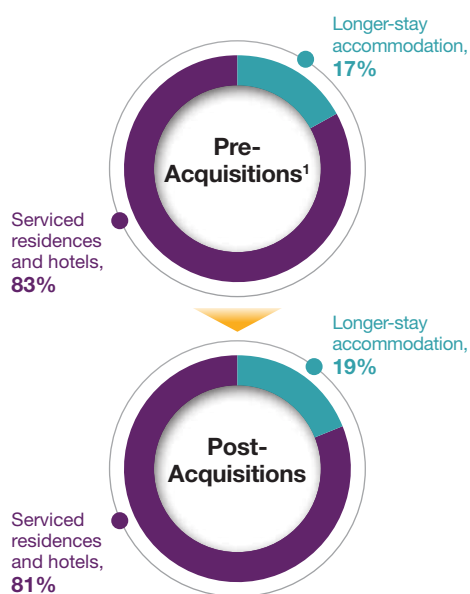
### Notes:

- Please refer to paragraph 5 of the Letter to Stapled Securityholders for further details, including the DPS and DPS accretion sensitivity analysis at various issue prices and numbers of the Stapled Securities issued under the private placement.
- Stable income sources include master leases, management contracts with minimum guaranteed income, rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels.
- Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, on a *pro forma* basis.



## Increase Investment in the Attractive Longer-Stay Asset Class

### Increase In Longer-Stay Asset Allocation (Portfolio Value)



In line with the Managers' strategy to increase ART's asset allocation in longer-stay properties (rental housing properties and student accommodation) to 25% – 30% in the medium term, the Acquisitions are expected to increase the proportion of longer-stay properties **from 17.0% to 19.0% of ART's portfolio value**.

### Rental Housing

- ART's 14 existing rental housing properties were resilient and registered an **average occupancy of above 95.0% in FY2021, despite COVID-19**
- In Mar 2022, ART announced the turnkey acquisition of 4 rental housing properties in Japan, which are expected to complete between 4Q 2022 and 2Q 2023
- Including the turnkey acquisitions, the acquisition of the Japan properties will **further expand ART's footprint in the Japan rental housing sector** to 23 properties, while entering 2 new markets, Nagoya and Hyogo

### Student Accommodation

- Standard at Columbia is within walking distance to the campus of the prestigious University of South Carolina
- In Jun 2021, ART had acquired a 45.0% development stake in the property and since then, **the demand for student accommodation properties in the US has grown**; there has been a corresponding increase in the valuation of the property
- It would be opportunistic for ART to acquire an additional 45.0% effective stake of the property at an **agreed property value of USD24.5 mil compared to the Appraised Value of USD29.7 mil**

## Well-Located, Quality Serviced Residences Positioned to Benefit from the Recovery in Travel Demand

La Clef Tour Eiffel, Quest Cannon Hill and Somerset Central TD Hai Phong City are quality serviced residences located in key gateway cities and growth markets which are expected to benefit from the post-COVID-19 recovery in travel demand.

### La Clef Tour Eiffel



- Achieved occupancy of about 80.0% in Jul 2022, **above pre-COVID-19 levels**, and average daily rate that surpassed pre-COVID-19 levels by over 30.0%
- CBRE expects the Parisian market to fully recover by 2023

### Quest Cannon Hill



- Achieved occupancy of about 95.0% in Jul 2022, **exceeding pre-COVID-19 levels**
- CBRE expects demand and occupancy levels in Brisbane to increase in the coming years, underpinned by infrastructure projects

### Somerset Central TD Hai Phong City



- Achieved occupancy of more than 90.0% in Jul 2022, **in line with pre-COVID-19 levels**
- CBRE expects market RevPARs in Hai Phong to gradually improve over the medium to long term, on the back of demand from rising foreign direct investment and business activity
- EBITDA² yield of the property is estimated to be approximately 9.7% based on the historical pre-COVID-19 EBITDA levels in 2019

## Opportunity to Acquire Green, Sustainably Managed Properties

La Clef Tour Eiffel, Somerset Central TD Hai Phong City and Quest Cannon Hill are expected to be green certified by 2023. Standard at Columbia, upon completion, will also be green certified.

Including the Acquisitions, ART's proportion of green certified properties is expected to **increase approximately from 35.0%³ to 38.0%**, in line with ART's target to green 50% of the portfolio by 2025.

**ART's portfolio gross floor area that is green certified⁴**

As at May 2022

**35%**

Post-Acquisitions

**38%**

2025 Target

**50%**

#### Notes:

- Portfolio value is based on property valuations as at 31 December 2021, value of acquisitions announced or completed up to 31 March 2022 and properties under development.
- Earnings before net interest expense, tax, depreciation and amortisation.
- As at May 2022.
- Refers to the gross floor area of ART's properties by sq m.

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Circular constitute “forward-looking statements”. All statements other than statements of historical facts included in this Circular, including those regarding ART’s financial position and results, business strategies, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause ART’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding ART’s present and future business strategies and the environment in which ART will operate in the future.

Forward-looking statements involve inherent risks and uncertainties. The forward-looking statements included in this Circular reflect the current views of Ascott Residence Trust Management Limited, as manager of Ascott Real Estate Investment Trust (“**Ascott Reit**”, and the manager, the “**Ascott Reit Manager**”), and Ascott Business Trust Management Pte. Ltd., as trustee-manager of Ascott Business Trust (“**Ascott BT**”, and the trustee-manager, the “**Ascott BT Trustee-Manager**”, together with the Ascott Reit Manager, the “**Managers**”) with respect to future events and are not a guarantee of the future performance of ART. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. These factors include, but are not limited to, the following:

- general global, regional and local political, industry, social and economic conditions;
- the general economic condition of, and changes in, the economy and financial markets globally;
- regulatory developments and changes in the industry in which ART operates;
- changes in market conditions affecting ART’s ability to raise financing to fund the Acquisitions (as defined herein);
- property valuations may be subject to fluctuations and prevailing market conditions;
- whether ART can successfully execute its business strategies and carry out its growth plans;
- competition in the real estate industry (including hotels, serviced residences, student accommodation and rental housing properties);
- ART’s ability to anticipate and respond to trends concerning hotels, serviced residences, student accommodation or rental housing properties;
- changes in government regulations, including tax laws, licensing, foreign exchange rates and capital controls;
- war or acts of international or domestic terrorism;
- occurrences of catastrophic events, natural disasters and acts of God that affect ART’s properties;
- changes in ART’s senior management team or loss of key employees;
- changes in interest rates or inflation rates;



- changes in the value of certain currencies that are used in ART's business, including the Singapore dollar, the Euro, the Japanese Yen, the Vietnam Dong, the United States Dollar and the Australian Dollar;
- other factors beyond ART's control; and
- any other matters not yet known to ART.

These forward-looking statements speak only as of the date of this Circular. Although the Managers believe that the expectations reflected in the forward-looking statements are reasonable, the Managers cannot guarantee future results, levels of activity, performance or achievements. The Managers do not intend to update any of the forward-looking statements after the date of this Circular to conform those statements to actual results, subject to compliance with all applicable laws including the Securities and Futures Act 2001 of Singapore and/or the rules of the SGX-ST.

## **MARKET AND INDUSTRY INFORMATION**

This Circular includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

Except as otherwise stated, consent has not been sought in relation to the inclusion of information extracted from the relevant reports and/or publications and therefore the relevant authors and/or publishers are not liable for such information. While the Managers have taken reasonable actions to ensure that the information from such reports and/or publications is reproduced in their proper form and context, and that the relevant information has been extracted accurately and fairly from such reports, neither of the Managers nor any other party has conducted an independent review of the information contained in such reports nor verified the accuracy of the contents of the relevant information.

## **CERTAIN DEFINED TERMS AND CONVENTIONS**

ART publishes its financial statements in Singapore dollars. In this Circular, references to "S\$", "Singapore dollar" or "Singapore cent" are to the lawful currency of the Republic of Singapore, references to "€", "Euro" or "EUR" are to the lawful currency of member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended, including France, references to "¥", "Japanese Yen" or "JPY" are to the lawful currency of Japan, references to "VND" or "Vietnam Dong" are to the lawful currency of the Socialist Republic of Vietnam, references to "US\$" or "United States Dollar" are to the lawful currency of the US, and references to "A\$", "AUD" or "Australian Dollar" are to the lawful currency of Australia. All references to dates and times are to Singapore dates and times.

References to the acquisition of the Properties in this Circular shall, where the context so requires, include the acquisition of interest in (a) Ascott Holdings (France) SAS and Ascott Kleber SNC, in each case, from the France Vendor (as defined herein), (b) Somerset Central TD Company Limited from the Vietnam Vendor (as defined herein), (c) Columbia PBSA Venture Pte. Ltd. from the US Vendor (as defined herein), as well as (d) the acquisition of TBI (as defined herein) from the Japan Vendor (as defined herein).

Capitalised terms used in this Circular shall have the meanings set out in the Glossary on pages 5 to 21 of this Circular.

References to “ownership” include instances where the property is held pursuant to a long-term lease. References to “an interest” in a Property (as defined herein) shall include the leasehold interest in the Property.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded off to 1 decimal place.

This Circular contains conversions of Singapore dollar amounts into Euro, Japanese Yen, Vietnam Dong, United States Dollar and Australian Dollar and vice versa, solely for the convenience of the reader. Unless otherwise indicated, Singapore dollar amounts in this Circular have been translated into Euro, Japanese Yen, Vietnam Dong, United States Dollar and Australian Dollar and vice versa, based on the exchange rate of €1.00 = S\$1.45047, ¥1.00 = S\$0.01078, VND1.00 = S\$0.00006, US\$1.00 = S\$1.39292 and AUD1.00 = S\$0.96681. However, these translations should not be construed as representations that Singapore dollar amounts have been, would have been or could be converted into Euro, Japanese Yen, Vietnam Dong, United States Dollar and Australian Dollar or that Euro, Japanese Yen, Vietnam Dong, United States Dollar and Australian Dollar amounts have been, would have been or could be converted into Singapore dollar at that rate or any other rate or at all.

## GLOSSARY

The following definitions shall apply throughout this Circular unless the context otherwise requires or unless otherwise stated:

<b>“2021 Audited Consolidated Financial Statements”</b>	:	ART’s latest audited consolidated financial statements for the financial year ended 31 December 2021
<b>“Acquisition Fee Stapled Securities”</b>	:	Stapled Securities to be issued as the acquisition fee pursuant to the Ascott Reit Trust Deed and the Stapling Deed
<b>“Acquisitions”</b>	:	The France Acquisition, the Japan Acquisition, the Vietnam Acquisition, the US Acquisition and the Australia Acquisition
<b>“Aggregate Purchase Consideration”</b>	:	S\$215.2 million for the Acquisitions
<b>“AIMVCL”</b>	:	Ascott International Management (Vietnam) Co., Ltd, a wholly-owned subsidiary of TAL
<b>“Amended Pre-Existing Asset Management Agreement”</b>	:	The amended Pre-Existing Asset Management Agreement between CJKK and the Japan Purchaser pursuant to which CJKK will be appointed as the asset manager for the portfolio of properties of the Japan Purchaser enlarged to include the Japan Properties for the period commencing on the date of completion of the Acquisitions and expiring on 24 December 2030
<b>“Annual Rent Guarantee Amount”</b>	:	€242,000 per annum
<b>“Appraised Value”</b>	:	<p>(a) in respect of the Japan Properties, the average of the valuations by Japan Valuers and CBRE as Independent Valuers;</p> <p>(b) in respect of the US Property, the average of the valuations by JLL and CBRE as Independent Valuers; and</p> <p>(c) in respect of the Properties (other than the Japan Properties and the US Property), the average of the valuations by HVS and CBRE as Independent Valuers,</p> <p>in each case, as of 30 June 2022</p>
<b>“ART”</b>	:	Ascott Residence Trust, the stapled group comprising Ascott Reit and Ascott BT
<b>“ARTML”</b>	:	Ascott Residence Trust Management Limited



<b>“Ascott BITS”</b>	:	The computer modular programs (available as at the date of the Vietnam SR Management Agreement) which are owned by, or licensed to, and developed by or for AIMVCL and/or TAL, its subsidiaries and associated companies (as the case may be) and used in connection with the management and operation of the Vietnam Property as a serviced residence
<b>“Ascott BT”</b>	:	Ascott Business Trust, a business trust constituted on 9 September 2019 under the laws of the Republic of Singapore
<b>“Ascott BT Trust Deed”</b>	:	The trust deed constituting Ascott BT dated 9 September 2019
<b>“Ascott BT Trustee-Manager”</b>	:	Ascott Business Trust Management Pte. Ltd., in its capacity as trustee-manager of Ascott BT
<b>“Ascott Reit”</b>	:	Ascott Real Estate Investment Trust, a real estate investment trust constituted on 19 January 2006 under the laws of Singapore
<b>“Ascott Reit Manager”</b>	:	Ascott Residence Trust Management Limited, in its capacity as manager of Ascott Reit
<b>“Ascott Reit Trust Deed”</b>	:	The amending and restating trust deed dated 31 December 2019
<b>“Asset Enhancement Initiative”</b>	:	The asset enhancement works to refresh the France Property under the France Master Lease after completion of the Acquisitions
<b>“Audit Committee”</b>	:	The audit committee of the Managers, comprising Mr. Sim Juat Quee Michael Gabriel, Mr. Chia Kim Huat, Ms. Deborah Lee Siew Yin and LG Ong Su Kiat Melvyn
<b>“AUM”</b>	:	Assets under management
<b>“Australia Acquisition”</b>	:	The acquisition of the Australia Property through the acquisition by the Australia Purchaser from the Australia Vendor of a 100.0% interest in the Australia Property in accordance with the terms of the Australia SPA
<b>“Australia Master Lease”</b>	:	The master lease agreement between the Australia Master Lessor and the Australia Master Lessee in relation to the Australia Property
<b>“Australia Master Lease Extension Term”</b>	:	Each 5-year renewal term of the Australia Master Lease, at the Australia Master Lessee’s option
<b>“Australia Master Lease Initial Term”</b>	:	The initial 10-year term of the Australia Master Lease from 11 June 2018 to 10 June 2028

<b>“Australia Master Lease Rental”</b>	:	The lease rental amount as set out in the Australia Master Lease
<b>“Australia Master Lessee”</b>	:	Quest Cannon Hill Tenancy Pty Ltd
<b>“Australia Master Lessor”</b>	:	(Prior to completion of the Acquisitions) the Australia Vendor or (upon completion of the Acquisitions) the Australia Purchaser
<b>“Australia Property”</b>	:	Quest Cannon Hill, a serviced residence located at 930 Wynnum Road, Cannon Hill, Brisbane, Queensland 4170, Australia
<b>“Australia Purchaser”</b>	:	One AR Pty Ltd (in its capacity as trustee of Ascott REIT Cannon Hill Trust)
<b>“Australia SPA”</b>	:	A conditional sale and purchase agreement entered into between the Australia Purchaser and the Australia Vendor in relation to the Australia Acquisition
<b>“Australia Vendor”</b>	:	Balsamine (Brisbane) Pty Ltd
<b>“Bartley”</b>	:	Bartley Investments Pte. Ltd.
<b>“Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“CapitaLand”</b>	:	CapitaLand Investment Limited
<b>“CBRE”</b>	:	CBRE Singapore, and (in respect of the France Property) CBRE France, (in respect of the Japan Properties) CBRE Japan, (in respect of the Vietnam Property) CBRE Vietnam, (in respect of the US Property) CBRE US or (in respect of the Australia Property) CBRE Australia
<b>“CBRE Australia”</b>	:	CBRE Valuations Pty Limited
<b>“CBRE France”</b>	:	CBRE Hotels Valuation SAS
<b>“CBRE Japan”</b>	:	CBRE K.K.
<b>“CBRE Singapore”</b>	:	CBRE Pte. Ltd.
<b>“CBRE US”</b>	:	CBRE, Inc.
<b>“CBRE Vietnam”</b>	:	VAS Valuation Co. Ltd
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Stapled Securityholders dated 15 August 2022

<b>“CJKK”</b>	:	CapitaLand (Japan) Kabushiki Kaisha, a wholly-owned subsidiary of CapitaLand
<b>“CL”</b>	:	CapitaLand Group Pte. Ltd.
<b>“CLA”</b>	:	CLA Real Estate Holdings Pte. Ltd. (formerly known as Ascendas – Singbridge Pte. Ltd.)
<b>“Confirmation Email for Physical Meeting”</b>	:	The email confirming that a Stapled Securityholder has successfully registered for the EGM which will contain details as well as instructions on attending the Physical Meeting
<b>“Confirmation Email for Virtual Meeting”</b>	:	The email confirming that a Stapled Securityholder has successfully registered for the EGM which will contain unique user credentials as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings
<b>“Controlling Shareholder”</b>	:	<p>A person who:</p> <p>(a) holds directly or indirectly, 15.0% or more of the total voting rights in the company. The SGX-ST may determine that such a person is not a controlling shareholder; or</p> <p>(b) in fact exercises control over a company</p>
<b>“Controlling Stapled Securityholder”</b>	:	<p>A person who:</p> <p>(a) holds directly or indirectly, 15.0% or more of the total voting rights in ART. The SGX-ST may determine that such a person is not a controlling Stapled Securityholder; or</p> <p>(b) in fact exercises control over ART</p>
<b>“Controlling Unitholder”</b>	:	<p>A person who:</p> <p>(a) holds directly or indirectly, 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or</p> <p>(b) in fact exercises control over the property fund</p>
<b>“CPF Agent Bank”</b>	:	An agent bank appointed to maintain CPF investment accounts under the CPF Investment Scheme
<b>“DB Trust”</b>	:	DB Trust Company Limited Japan (currently known as Sanne Group Japan Trust Company Limited), as the trustee in respect of the TBI in relation to each of the Japan Properties



<b>“Directors”</b>	:	The directors of the Managers
<b>“DPS”</b>	:	Distribution per Stapled Security
<b>“EBITDA”</b>	:	Earnings before net interest expense, tax, depreciation and amortisation
<b>“EGM”</b>	:	The extraordinary general meeting of Stapled Securityholders to be held on Friday, 9 September 2022 at 2.00 p.m., notice of which is set out on pages EGM-1 to EGM-8 of this Circular
<b>“Encumbrances”</b>	:	Liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, pledges, title retentions, trust arrangements, hire purchases, judgments, preferential rights, rights of pre-emption and other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing
<b>“Enterprise Value”</b>	:	The sum of the equity value and the total net debt attributable to the shares being acquired by Ascott Reit and where the asset acquired by Ascott Reit is a real estate, <b>“Enterprise Value”</b> shall mean the value of the real estate
<b>“Estimated Total Capitalised Costs”</b>	:	The sum of the effective stake of the agreed property values of the Properties and the capitalised costs incurred or to be incurred in connection with the Acquisitions (for the avoidance of doubt, excluding any costs incurred or to be incurred in connection with the Asset Enhancement Initiative)
<b>“Existing Portfolio”</b>	:	The existing portfolio of ART, as disclosed in the annual report of ART for FY2021
<b>“FIRB Act”</b>	:	Foreign Acquisitions and Takeovers Act 1975 (Cth)
<b>“France Acquisition”</b>	:	The acquisition of the France Property through the acquisition by the France Purchaser from the France Vendor of (a) a 100.0% interest in Ascott Holdings (France) SAS (which owns a 99.99% interest in Ascott Kleber SNC, which in turn owns a 100.0% interest in the France Property), and (b) a 0.01% interest in Ascott Kleber SNC in accordance with the terms of the France SPA, and includes the assignment of the France Shareholder’s Loans, the France Rent Guarantee and the France Excluded Units Arrangement in connection therewith

<b>“France Deferred Payment”</b>	:	The sum of €20.0 million (equivalent to approximately S\$29.0 million) which will be deferred and paid when 70.0% of the France Master Lessee’s renovation works have been completed in accordance with the terms of the France Master Lease, save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date
<b>“France Excluded Units”</b>	:	<p>The following units located at La Clef Tour Eiffel:</p> <ul style="list-style-type: none"> <li>(a) within the real estate complex located in Paris (16th district), 81 avenue Kléber and 15 rue de Magdebourg, registered with the cadastre under section FR No. 30, the following condominium lots: <ul style="list-style-type: none"> <li>(i) Lot No. 9: on the ground floor, a commercial unit and the 87/1009th of the condominium share;</li> <li>(ii) Lot No. 10: on the ground floor, a commercial unit and the 56/1009th of the condominium share;</li> <li>(iii) Lot No. 13: on the third floor, an apartment and the 151/1009th of the condominium share;</li> <li>(iv) Lot No. 28: on the basement, a cellar and 4/1009th of the condominium share; and</li> <li>(v) Lot No. 32: on the basement, cellar No. 5bis and 1/1009th of the condominium share; and</li> </ul> </li> <li>(b) within the real estate complex located in Paris (16th district), 11bis rue Magdebourg and 13 rue de Magdebourg, part of Volume No. 2 of the volumetric division statement of 4 January 1990 created over plot of land registered with the cadastre under section FR No. 28, corresponding to an area of approximately 59 square metres, to be subdivided from the rest of Volume 2 in accordance with the France SPA,</li> </ul>
<b>“France Excluded Units Arrangement”</b>	:	<p>and the accompanying plant and equipment located in such units to the extent they are regarded as fixtures</p> <p>The arrangements between the France Purchaser and the France Vendor as described in paragraph 3.5.1 in respect of (a) the post-completion arrangements for the France Excluded Units, in the event that the Proposed Disposal does not complete in full prior to completion of the France Acquisition; and (b) the indemnity in respect of the France Excluded Units</p>

<b>“France Fixed Lease Rental”</b>	:	The fixed lease rental amount as set out in the France Master Lease
<b>“France IRS”</b>	:	The interest rate swap agreement for €29.5 million dated 22 December 2021 entered into between Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd in connection with the France Loan
<b>“France Loan”</b>	:	The €49.5 million facility granted by Oversea-Chinese Banking Corporation, Limited to Ascott Holdings (Europe) Pte. Ltd., which is the 100.0% shareholder of the France Vendor, pursuant to the facility agreement dated 23 November 2021 entered into between Oversea-Chinese Banking Corporation, Limited, as lender, Ascott Holdings (Europe) Pte. Ltd., as borrower, and TAHL, as guarantor, for the purpose of refinancing the term loan facility granted under the facility agreement dated 28 November 2011 for the acquisition by the France Vendor of the France Property
<b>“France Loan Amendment and Restatement Agreement”</b>	:	The amendment and restatement agreement to be entered into among Ascott Holdings (Europe) Pte. Ltd., TAHL, Oversea-Chinese Banking Corporation, Limited and the Trustee to provide for, <i>inter alia</i> , the accession of the Trustee, as incoming borrower, and the discharge of Ascott Holdings (Europe) Pte. Ltd., as outgoing borrower, and TAHL, as outgoing guarantor, in relation to the France Loan
<b>“France Loan Assignment Documents”</b>	:	Collectively, the France Loan IRS Novation Agreement and the France Loan Amendment and Restatement Agreement
<b>“France Loan IRS Novation Agreement”</b>	:	The novation agreement to be entered into by the Trustee, Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd in relation to the novation of the rights and obligations under the France IRS from The Ascott Capital Pte Ltd to the Trustee
<b>“France Master Lease”</b>	:	The commercial lease agreement between Ascott Kleber SNC and the France Master Lessee in relation to the France Property (excluding the Restaurant Unit)
<b>“France Master Lessee”</b>	:	Citadines Arc de Triomphe Operating SAS
<b>“France Property”</b>	:	La Clef Tour Eiffel, a serviced residence located at Paris (75016) 83-85 avenue Kléber/11bis and 13 rue Magdebourg, France (excluding the France Excluded Units)
<b>“France Purchaser”</b>	:	The Ascott (Europe) N.V., a wholly-owned subsidiary of Ascott Reit



<b>“France Rent Guarantee”</b>	:	A rent guarantee per annum of up to the Annual Rent Guarantee Amount to be provided by the France Master Lessee in relation to the Restaurant Unit
<b>“France Shareholder’s Loans”</b>	:	Shareholder’s loan agreements entered into between the France Vendor, as lender, and Ascott Holdings (France) SAS, as borrower prior to the Acquisitions, pursuant to which the France Vendor granted shareholder’s loans to Ascott Holdings (France) SAS, of which approximately €76.9 million in aggregate remains outstanding as at 31 March 2022
<b>“France SPA”</b>	:	A conditional sale and purchase agreement entered into between the France Purchaser and the France Vendor in relation to the France Acquisition
<b>“France Total Revenue”</b>	:	The total revenue of the France Property per annum
<b>“France Vendor”</b>	:	Ascott Holdings (Europe) N.V.
<b>“FY”</b>	:	Financial year
<b>“FY2021”</b>	:	FY ended 31 December 2021
<b>“FY2022”</b>	:	FY ending 31 December 2022
<b>“Glenville”</b>	:	Glenville Investments Pte. Ltd.
<b>“House Saison Property”</b>	:	House Saison Shijo-Dori, a rental housing property located at 47-3, 47, 47-2, 47-4, 47-5, 47-6, 47-7, 49, Kasaboko-cho, Shijo-dori Aburanokoji Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan and 532-2, 532-3, 534, 536-2, 538-2, Ishiizutsu-cho, Aburanokoji-dori Shijo-kudaru, Shimogyo-ku, Kyoto-shi, Japan
<b>“HVS”</b>	:	(In respect of the France Property) HVS London and (in respect of the Properties other than the France Property and the Japan Properties) HVS Singapore
<b>“HVS London”</b>	:	SG&R Valuation Services Company LLC
<b>“HVS Singapore”</b>	:	HVS Singapore (SG&R Singapore Pte Ltd)
<b>“IFA”</b>	:	The independent financial adviser, being Deloitte & Touche Corporate Finance Pte Ltd
<b>“IFA Letter”</b>	:	The letter from the IFA to the Independent Directors, Audit Committee and the Trustee containing its advice in relation to the IPT Transactions

<b>“Independent Directors”</b>	:	Mr. Tan Beng Hai, Bob, Mr. Sim Juat Quee Michael Gabriel, Mr. Chia Kim Huat, Ms. Deborah Lee Siew Yin and LG Ong Su Kiat Melvyn
<b>“Independent Valuers”</b>	:	HVS (appointed by the Trustee for the valuation of the Properties, other than the Japan Properties and the US Property), Japan Valuers (appointed by the Trustee via HVS for the valuation of the Japan Properties), JLL (appointed by the Trustee for the valuation of the US Property) and CBRE (appointed by the Ascott Reit Manager for the valuation of the Properties)
<b>“IPT Transactions”</b>	:	The Acquisitions and the entry into the Master Leases, the Management Agreements and the France Loan Assignment Documents
<b>“Japan Acquisition”</b>	:	The acquisition of the Japan Properties through the acquisition by the Japan Purchaser from the Japan Vendor of 100.0% of the TBI in respect of each of the Japan Properties in accordance with the terms of the Japan SPA
<b>“Japan Master Leases”</b>	:	The “pass-through” master lease agreements in respect of each of the Japan Properties entered into separately including supplementals to the existing master leases, between the Japan Master Lessee and DB Trust as the trustee in respect of the TBI for such Japan Properties (each, a <b>“Japan Master Lease”</b> )
<b>“Japan Master Lessee”</b>	:	Japan Residence One YK, as the “pass-through” master lessee under each of the Japan Master Leases
<b>“Japan Properties”</b>	:	The Marunouchi Property, the House Saison Property, the S-Residence Shukugawa Property, the S-Residence Namba Viale Property and the S-Residence Gakuenzaka Property
<b>“Japan Purchaser”</b>	:	ARC-CapitaLand Three TMK, a wholly-owned subsidiary of Ascott Reit
<b>“Japan SPA”</b>	:	A conditional sale and purchase agreement entered into between the Japan Purchaser and the Japan Vendor in relation to the Japan Acquisition
<b>“Japan Valuers”</b>	:	Japan Valuers Co., Ltd.
<b>“Japan Vendor”</b>	:	ARC-CapitaLand Two TMK, a special <i>tokutei mokuteki kaisha</i> incorporated on 11 August 2006 under the Japan Law Regarding Securitisation of Assets (No. 105 of 1998) (as amended), which holds 100.0% of the TBI in respect of each of the Japan Properties

<b>“JLL”</b>	:	JLL Valuation & Advisory Services, LLC
<b>“Latest Practicable Date”</b>	:	8 August 2022, being the latest practicable date prior to the date of this Circular
<b>“Lease Cap Amount”</b>	:	The lease cap mechanism of the France Fixed Lease Rental, where the lease cap amount is set at €5.175 million
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>“Management Agreements”</b>	:	Collectively, the Vietnam SR Management Agreement, the Amended Pre-Existing Asset Management Agreement and the Pre-Existing Property Management Agreements
<b>“Managers”</b>	:	The Ascott Reit Manager and the Ascott BT Trustee-Manager
<b>“Marunouchi Property”</b>	:	Marunouchi Central Heights, a rental housing property located at 2305, Marunouchi 3-chome, Naka-ku, Nagoya-shi, Japan
<b>“MAS”</b>	:	The Monetary Authority of Singapore
<b>“Master Leases”</b>	:	Collectively, the France Master Lease, the Japan Master Leases and the Australia Master Lease
<b>“Master Lessees”</b>	:	Collectively, the France Master Lessee, the Japan Master Lessee and the Australia Master Lessee
<b>“Mawson”</b>	:	Mawson Peak Holdings Pte. Ltd.
<b>“MCMGI”</b>	:	Management contracts with minimum guaranteed income
<b>“NAV”</b>	:	Net asset value



<b>“NOI”</b>	:	The sum equal to the Revenue less all Direct Property Costs and Expenses. For the purpose of this definition, Revenue means all income accruing or resulting from the operations of the Japan Properties including but not limited to rentals or other sums due and received from tenants, business interruption insurance payments, governmental allowances and any form of incentive payments from any source whatsoever which are attributable to the operations of the properties and service and maintenance charges collected from the lessees of the Japan Properties but shall exclude the following: (a) allowances given in the usual course of business, including without limitation, rental adjustments, overcharges, disputed charges, discounts and refunds, (b) all taxes and governmental charges collected directly from the tenants of the Japan Properties as part of the rental, (c) all proceeds derived from the insurance policies (but excluding business interruption insurance payments which shall be part of Revenue), (d) all proceeds derived or arising from the sale and/or disposal of a property (or any part thereof) and any operating equipment, and (e) rental deposits and other refundable security deposits, and for the purpose of this definition, Direct Property Costs and Expenses means all those costs and expenses as set out in the Pre-Existing Asset Management Agreement but excluding the following items: (i) collection costs and doubtful debts, (ii) legal, accounting, auditing and third party consultants, and (iii) irrecoverable consumption tax
<b>“Notice of EGM”</b>	:	The notice of EGM, found on pages EGM-1 to EGM-8 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Order”</b>	:	COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020
<b>“Ordinary Resolution”</b>	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Ascott Reit Trust Deed and the Ascott BT Trust Deed
<b>“Physical Meeting”</b>	:	The physical EGM to be convened and held physically at 168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912
<b>“Pre-Existing Asset Management Agreement”</b>	:	The amended and restated asset management agreement dated 25 December 2020 entered into between CJKK and the Japan Purchaser prior to the Acquisitions

<b>“Pre-Existing Property Management Agreements”</b>	:	The property management agreements entered into between CJKK and DB Trust (as the trustee in respect of the TBI in relation to each of the Japan Properties) prior to the Acquisitions, under which DB Trust appointed CJKK as the master property manager in respect of each of the Japan Properties
<b>“Private Placement”</b>	:	The private placement to institutional, accredited and other investors, details of which are set out in the announcement on “Launch of Private Placement to raise gross proceeds of approximately S\$150.0 million” dated 15 August 2022
<b>“Properties”</b>	:	The France Property, the Japan Properties, the Vietnam Property, the US Property and the Australia Property (each, a <b>“Property”</b> )
<b>“Property Funds Appendix”</b>	:	Appendix 6 to the Code on Collective Investment Schemes, which applies to a scheme which invests or proposes to invest primarily in real estate and real estate-related assets, as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>“Property Managers”</b>	:	Collectively, CJKK and AIMVCL
<b>“Proposed Disposal”</b>	:	The disposal of the France Excluded Units to a third party buyer
<b>“Proxy Form”</b>	:	The proxy form for the EGM as set out in this Circular
<b>“PSSP”</b>	:	The Managers’ Performance Stapled Security Plan
<b>“Reference Rent”</b>	:	32.0% of the France Total Revenue
<b>“Regulations”</b>	:	COVID-19 (Temporary Measures) (Control Order) Regulations 2020
<b>“Resolution”</b>	:	The Ordinary Resolution to be proposed during the EGM in respect of the IPT Transactions
<b>“Restaurant Unit”</b>	:	The restaurant unit of the France Property (11bis, 13 and 15 rue Magdebourg and 85 rue de Magdebourg (first basement and ground floor), in Paris (16th district), and forms part of the Volume 2 of the volumetric division statement of 4 January 1990 (lot number 28, in Building I)
<b>“RevPAR”</b>	:	Revenue per available room
<b>“RSSP”</b>	:	The Managers’ Restricted Stapled Security Plan
<b>“S-Residence Gakuenzaka Property”</b>	:	S-Residence Gakuenzaka, a rental housing property located at 2-1-1, Naniwa-ku, Osaka-shi, Japan

<b>“S-Residence Namba Viale Property”</b>	:	S-Residence Namba Viale, a rental housing property located at 9-2, Motomachi 3-chome, Naniwa-ku, Osaka-shi, Japan
<b>“S-Residence Shukugawa Property”</b>	:	S-Residence Shukugawa, a rental housing property located at 36-1, Kamizono-cho, Nishinomiya-shi, Japan
<b>“Sale and Purchase Agreements”</b>	:	The France SPA, the Japan SPA, the Vietnam SPA, the US SPA and the Australia SPA
<b>“SCPL”</b>	:	Somerset Capital Pte Ltd, a wholly-owned subsidiary of TAL
<b>“SFA”</b>	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shareholder’s Loans”</b>	:	Collectively, the France Shareholder’s Loans, the Vietnam Shareholder’s Loans and the US Shareholder’s Loans
<b>“Significant Transactions”</b>	:	The Acquisitions, and the entry into the France Loan Assignment Documents and the Vietnam Guarantee
<b>“SRS Operator”</b>	:	A bank appointed to operate Supplementary Retirement Scheme accounts
<b>“Stapled Securities”</b>	:	The securities in a stapled Ascott Reit and Ascott BT
<b>“Stapled Securityholders”</b>	:	Holders of Stapled Securities
<b>“Stapling Deed”</b>	:	The stapling deed dated 9 September 2019
<b>“Summary Valuation Certificates”</b>	:	<p>(a) in relation to the US Property, the summary valuation certificates provided by JLL and CBRE as Independent Valuers; and</p> <p>(b) in relation to the Properties (other than the US Property), the summary valuation certificates provided by HVS Singapore and CBRE as Independent Valuers</p>
<b>“sq m”</b>	:	Square metres
<b>“TAHL”</b>	:	The Ascott Holdings Limited, a wholly-owned subsidiary of TAL
<b>“TAL”</b>	:	The Ascott Limited, a wholly-owned subsidiary of CapitaLand
<b>“TBI”</b>	:	Trust beneficial interest held by the Japan Vendor in respect of each of the Japan Properties

<b>“Temasek”</b>	:	Temasek Holdings (Private) Limited
<b>“Tembusu”</b>	:	Tembusu Capital Pte. Ltd.
<b>“TJ Holdings”</b>	:	TJ Holdings (III) Pte. Ltd.
<b>“Transactions”</b>	:	Collectively, the IPT Transactions and the entry into the Vietnam Guarantee
<b>“Trustee”</b>	:	DBS Trustee Limited, in its capacity as trustee of Ascott Reit
<b>“US”</b>	:	The United States of America
<b>“US Acquisition”</b>	:	The acquisition of an additional 45.0% effective interest in the US Property through the acquisition by the US Purchaser from the US Vendor of a 50.0% interest in Columbia PBSA Venture Pte. Ltd. (which owns a 100.0% interest in Columbia Student Venture REIT LLC, which in turn owns a 90.0% interest in Columbia Student Venture, LLC, which in turn owns a 100.0% interest in Columbia Student Property Owner, LLC, which in turn owns a 100.0% interest in the US Property) in accordance with the terms of the US SPA, and includes the assignment of the US Shareholder’s Loans in connection therewith
<b>“US Property”</b>	:	Standard at Columbia, a student accommodation property under development located at 1401 Assembly Street, Columbia, South Carolina 29201, United States of America
<b>“US Purchaser”</b>	:	Ascott REIT PBSA Pte. Ltd., a wholly-owned subsidiary of Ascott Reit
<b>“US Shareholder’s Loans”</b>	:	Shareholder’s loan agreements entered into between the US Vendor, as lender, and Columbia PBSA Venture Pte. Ltd., as borrower, prior to the Acquisitions, pursuant to which the US Vendor granted shareholder’s loans to Columbia PBSA Venture Pte. Ltd., of which approximately US\$15.4 million in aggregate remains outstanding as at 30 June 2022
<b>“US SPA”</b>	:	A conditional sale and purchase agreement entered into between the US Purchaser and the US Vendor in relation to the US Acquisition
<b>“US Vendor”</b>	:	TAHL PBSA Venture Pte. Ltd., a wholly-owned subsidiary of TAHL
<b>“Vendors”</b>	:	Collectively, the France Vendor, the Japan Vendor, the Vietnam Vendor, the US Vendor and the Australia Vendor
<b>“Vietnam”</b>	:	The Socialist Republic of Vietnam

<b>“Vietnam Acquisition”</b>	:	The acquisition of the Vietnam Property through the acquisition by the Vietnam Purchaser from the Vietnam Vendor of a 100.0% interest in Somerset Central TD Company Limited which owns a 100.0% interest in the Vietnam Property in accordance with the terms of the Vietnam SPA, and includes the assignment of the Vietnam Shareholder’s Loans in connection therewith
<b>“Vietnam Facility Agreements”</b>	:	The facility agreement dated 29 November 2012 between Bangkok Bank Public Company Limited, Singapore Branch, as lender, and Somerset Central TD Company Limited, as borrower, for a US\$13.0 million facility (as amended and/or restated by the letter agreement dated 19 September 2013 and the amendment and restatement agreement dated 18 January 2016, and as further amended and restated by the amendment and restatement deed dated 15 July 2019 and the amendment and restatement deed dated 29 January 2021) with an outstanding principal amount of US\$6.0 million as at 10 February 2022, and the facility agreement dated 18 January 2016 between the same parties for a US\$1.5 million facility (as amended and restated by the amendment and restatement deed dated 15 July 2019, and as further amended and restated by an amendment and restatement deed dated 29 January 2021)
<b>“Vietnam Guarantee”</b>	:	A guarantee to be provided by the Trustee in favour of Bangkok Bank Public Company Limited, Singapore Branch in relation to the Vietnam Facility Agreements
<b>“Vietnam Initial Term”</b>	:	The initial term of 10 years in respect of the Vietnam SR Management Agreement
<b>“Vietnam Property”</b>	:	Somerset Central TD Hai Phong City, a serviced residence located at Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam
<b>“Vietnam Purchaser”</b>	:	Somerset Central TD Pte. Ltd., a wholly-owned subsidiary of Ascott Reit
<b>“Vietnam Shareholder’s Loans”</b>	:	Shareholder’s loan agreements entered into between the Vietnam Vendor, as lender, and Somerset Central TD Company Limited, as borrower, prior to the Acquisitions, pursuant to which the Vietnam Vendor granted shareholder’s loans to Somerset Central TD Company Limited, of which approximately US\$6.2 million in aggregate remains outstanding as at 31 March 2022
<b>“Vietnam SPA”</b>	:	A conditional sale and purchase agreement entered into between the Vietnam Purchaser and the Vietnam Vendor in relation to the Vietnam Acquisition



<b>“Vietnam SR Management Agreement”</b>	:	The serviced residence management agreement to be entered into between Somerset Central TD Company Limited and AIMVCL in relation to the Vietnam Property
<b>“Vietnam Vendor”</b>	:	Vibrant Coral Overseas Inc.
<b>“Vietnam Vendor Guarantee”</b>	:	The guarantee dated 18 January 2016 provided by TAHL, an indirect holding company of the Vietnam Vendor, in favour of Bangkok Bank Public Company Limited, Singapore Branch to guarantee the obligations of Somerset Central TD Company Limited under the Vietnam Facility Agreements (as amended and restated by the amendment and restatement deed dated 15 July 2019, and further amended and restated by the amendment and restatement deed dated 29 January 2021)
<b>“Virtual Meeting”</b>	:	The EGM to be convened and held by way of electronic means
<b>“%”</b>	:	Per centum or percentage
<b>“A\$” or “AUD”</b>	:	Australian Dollar, the lawful currency of Australia
<b>“€” or “EUR”</b>	:	Euro, the lawful currency of member states of the European Union
<b>“¥” or “JPY”</b>	:	Japanese Yen, the lawful currency of Japan
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore
<b>“US\$” or “USD”</b>	:	United States Dollar, the lawful currency of the US
<b>“VND”</b>	:	Vietnam Dong, the lawful currency of Vietnam

A reference to **“paragraph”** is a reference to a paragraph of this Circular unless the context otherwise requires.

The terms **“depositor”**, **“depository agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing any one gender shall, where applicable, include the other genders where applicable. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The exchange rates used in this Circular are for reference only. No representation is made that any amounts could have been or could be converted into or from Singapore dollar amounts at any of the exchange rates used in this Circular, at any other rate or at all.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof, or discrepancies between figures included in the tables and figures in the text of this Circular, are due to rounding.

The headings in this Circular are for ease of reference only and are not to be taken into account in the interpretation or construction of this Circular or any of its contents.

## CORPORATE INFORMATION

Directors of the Ascott Reit Manager and the Ascott BT Trustee-Manager (the <b>"Directors"</b> )	:	<p>Mr. Tan Beng Hai, Bob (Chairman and Non-Executive Independent Director)</p> <p>Ms. Teo Joo Ling, Serena (Chief Executive Officer and Executive Non-Independent Director)</p> <p>Mr. Sim Juat Quee Michael Gabriel (Non-Executive Independent Director)</p> <p>Mr. Chia Kim Huat (Non-Executive Independent Director)</p> <p>Ms. Deborah Lee Siew Yin (Non-Executive Independent Director)</p> <p>LG Ong Su Kiat Melvyn (Non-Executive Independent Director)</p> <p>Mr. Goh Soon Keat Kevin (Non-Executive Non-Independent Director)</p> <p>Ms. Beh Siew Kim (Non-Executive Non-Independent Director)</p>
Registered Office of the Ascott Reit Manager and the Ascott BT Trustee-Manager	:	<p>168 Robinson Road #30-01 Capital Tower Singapore 068912</p>
Trustee of Ascott Reit (the <b>"Trustee"</b> )	:	<p>DBS Trustee Limited (in its capacity as trustee of Ascott Reit) 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982</p>
Legal Adviser to the Ascott Reit Manager and the Ascott BT Trustee-Manager	:	<p>WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982</p>
Legal Adviser to the Trustee	:	<p>Shook Lin &amp; Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542</p>
Stapled Security Registrar and Stapled Security Transfer Office	:	<p>Boardroom Corporate &amp; Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632</p>
Independent Financial Adviser (the <b>"IFA"</b> )	:	<p>Deloitte &amp; Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00 OUE Downtown Singapore 068809</p>

Independent Valuers : HVS

**HVS Singapore (SG&R Singapore Pte Ltd)**

137 Market Street

#04-02 Grace Global Raffles

Singapore 048943

(appointed by the Trustee for the valuation of the Vietnam Property and the Australia Property)

**HVS London**

7-10 Chandos Street

Cavendish Square

London W1G 9DQ, United Kingdom

(appointed by the Trustee, via HVS Singapore, for the valuation of the France Property)

Japan Valuers

**Japan Valuers Co., Ltd.**

Asahikanko Bldg.

2-4-3 Fujimi Chiyoda-ku

Tokyo 102-0071, Japan

(appointed by the Trustee, via HVS Singapore, for the valuation of the Japan Properties)

JLL

**JLL Valuation & Advisory Services, LLC**

4200 Westheimer, Suite 1400

Houston, TX77027

(appointed by the Trustee for the valuation of the US Property)

CBRE

**CBRE Pte. Ltd.**

2 Tanjong Katong Road #06-01

Paya Lebar Quarter

Singapore 437161

(appointed by the Ascott Reit Manager for the valuation of the Properties)

**CBRE Hotels Valuation SAS**

76 rue de Prony

75017 Paris, France

(appointed by the Ascott Reit Manager, via CBRE Singapore, for the valuation of the France Property)

**CBRE K.K.**

Meiji Yasuda Seimei Building, 18F

2-1-1 Marunouchi, Chiyoda-ku

Tokyo, Japan

(appointed by the Ascott Reit Manager, via CBRE Singapore, for the valuation of the Japan Properties)

**VAS Valuation Co. Ltd**

13th Floor, A&B Tower

76A Le Lai Street, District 1

Ho Chi Minh City, S.R Vietnam

(appointed by the Ascott Reit Manager, via CBRE Singapore, for the valuation of the Vietnam Property)

**CBRE, Inc.**

201 South College Street, Suite 1700

Charlotte, NC 28244

(appointed by the Ascott Reit Manager, via CBRE Singapore, for the valuation of the US Property)

**CBRE Valuations Pty Limited**

Level 3, Waterfront Place

1 Eagle Street

Brisbane QLD 4000

(appointed by the Ascott Reit Manager, via CBRE Singapore, for the valuation of the Australia Property)



## SUMMARY

*The following summary is qualified in its entirety by and should be read in conjunction with the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 5 to 21 of this Circular.*

*Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.*

## INTRODUCTION

ART is the largest hospitality trust in Asia Pacific with an asset value of S\$7.7 billion as at 31 December 2021. Having listed on the SGX-ST since 31 March 2006, ART's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.

Comprising an initial asset portfolio of 12 strategically located properties with 2,068 units in 5 countries in the Pan-Asian Region, with an asset size of S\$855.8 million, ART's portfolio has grown several-fold in size. As at 31 March 2022, ART's international portfolio comprises 95 properties (namely, 54 serviced residences, 18 hotels and business hotels, 14 rental housing properties and 9 student accommodation properties) with more than 17,000 units in 44 cities across 15 countries in Asia Pacific, Europe and the US. ART has been assigned a credit rating of BBB- from Fitch Ratings.

ART is a stapled group comprising Ascott Reit and Ascott BT. ART is managed by the Ascott Reit Manager and the Ascott BT Trustee-Manager, both of which are wholly-owned subsidiaries of Singapore-listed CapitaLand Investment Limited ("**CapitaLand**"), a leading global real estate investment manager with a strong Asia foothold.

The Managers continuously identify suitable properties for acquisition by ART in order to provide stable and growing distributions to Stapled Securityholders. In executing acquisitions, the Managers seek to secure yield-accretive acquisitions that meet ART's investment criteria, especially in markets with potential for income or capital value growth.

The Managers believe that the Acquisitions, comprising the acquisition of interests in (a) 3 serviced residence properties in France, Vietnam and Australia – being the France Property, the Vietnam Property and the Australia Property, (b) 5 rental housing properties in Japan – being the Marunouchi Property, the House Saison Property, the S-Residence Shukugawa Property, the S-Residence Namba Viale Property and the S-Residence Gakuenzaka Property, and (c) 1 student accommodation property in South Carolina, US – being the US Property, represent an attractive and accretive opportunity to expand ART's portfolio in countries where ART already has a strong presence. The Acquisitions represent an opportunity for ART to acquire good quality assets in the developed markets of France, Japan, US and Australia and in Vietnam, one of Southeast Asia's fastest growing economies, enabling ART to strengthen its presence in these countries where, as at 31 March 2022, it owns 28 serviced residence properties, 15 hotels, 14 rental housing properties and 9 student accommodation properties. In connection with the Acquisitions, ART will enter into (i) the Master Leases in respect of the France Property (excluding the Restaurant Unit), Japan Properties<sup>1</sup> and Australia Property, (ii) the Management Agreements in respect of the Japan Properties and the Vietnam Property, (iii) the France Loan Assignment Documents in respect of the France Property, and (iv) the Vietnam Guarantee.

<sup>1</sup> The Japan Master Lessee is merely a "pass-through" vehicle and the Japan Master Lessee will pay all revenue it receives from the other tenants to DB Trust as the trustee in respect of the TBI in relation to each of the Japan Properties. The Japan Master Lessee does not charge any fee or retain any amount for acting as a "pass-through" vehicle, the purpose of which is to facilitate lease administration.

Completion of the Acquisitions will increase ART's total asset value as at 31 December 2021 to S\$8.1 billion, on a *pro forma* basis.

## SUMMARY OF APPROVALS SOUGHT

**ORDINARY RESOLUTION: THE PROPOSED ACQUISITION OF INTERESTS IN SERVICED RESIDENCE PROPERTIES IN FRANCE, VIETNAM AND AUSTRALIA, RENTAL HOUSING PROPERTIES IN JAPAN AND A STUDENT ACCOMMODATION PROPERTY IN SOUTH CAROLINA, US AT AN AGGREGATE PURCHASE CONSIDERATION OF S\$215.2 MILLION FROM INTERESTED PERSONS AND ENTRY INTO MASTER LEASES, MANAGEMENT AGREEMENTS AND FRANCE LOAN ASSIGNMENT DOCUMENTS**

### The Acquisitions

The Managers have identified the following properties as being suitable for acquisition:

- (a) La Clef Tour Eiffel, a serviced residence located at Paris (75016) 83-85 avenue Kléber/11bis and 13 rue Magdebourg, France (excluding the France Excluded Units, the **"France Property"**) through the acquisition by The Ascott (Europe) N.V. (the **"France Purchaser"**) from Ascott Holdings (Europe) N.V. (the **"France Vendor"**) of (i) a 100.0% interest in Ascott Holdings (France) SAS (which owns a 99.99% interest in Ascott Kleber SNC, which in turn owns a 100.0% interest in the France Property); and (ii) a 0.01% interest in Ascott Kleber SNC, for a purchase consideration of €49.4<sup>2</sup> million (equivalent to approximately S\$71.7 million);
- (b) the portfolio comprising:
  - (i) Marunouchi Central Heights, a rental housing property located at 2305, Marunouchi 3-chome, Naka-ku, Nagoya-shi, Japan (the **"Marunouchi Property"**);
  - (ii) House Saison Shijo-Dori, a rental housing property located at 47-3, 47, 47-2, 47-4, 47-5, 47-6, 47-7, 49, Kasaboko-cho, Shijo-dori Aburanokoji Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan and 532-2, 532-3, 534, 536-2, 538-2, Ishiizutsu-cho, Aburanokoji-dori Shijo-kudaru, Shimogyo-ku, Kyoto-shi, Japan (the **"House Saison Property"**);
  - (iii) S-Residence Shukugawa, a rental housing property located at 36-1, Kamizono-cho, Nishinomiya-shi, Japan (the **"S-Residence Shukugawa Property"**);
  - (iv) S-Residence Namba Viale, a rental housing property located at 9-2, Motomachi 3-chome, Naniwa-ku, Osaka-shi, Japan (the **"S-Residence Namba Viale Property"**); and
  - (v) S-Residence Gakuenzaka, a rental housing property located at 2-1-1, Naniwa-ku, Osaka-shi, Japan (the **"S-Residence Gakuenzaka Property"**), together with the Marunouchi Property, the House Saison Property, the S-Residence Shukugawa Property and the S-Residence Namba Viale Property, the **"Japan Properties"**),

2 This figure is arrived at by deducting the amount of the France Loan assigned to the Trustee by Ascott Holdings (Europe) Pte. Ltd. under the France Loan Amendment and Restatement Agreement (see paragraph 3.5.1 of the Letter to Stapled Securityholders for further details), being €49.5 million (equivalent to approximately S\$71.8 million), from the amount stated in paragraph 3.6(a)(i) of the Letter to Stapled Securityholders. Such amount is deducted in determining the purchase consideration payable to the France Vendor for the France Acquisition as the Trustee will be stepping in as borrower upon completion of the France Acquisition to assume the obligations under the France Loan granted by Oversea-Chinese Banking Corporation, Limited (which is not a loan taken by Ascott Holdings (France) SAS or Ascott Kleber SNC) as part of the France Acquisition.

through the acquisition by ARC-CapitaLand Three TMK (the “**Japan Purchaser**”) from ARC-CapitaLand Two TMK (the “**Japan Vendor**”) of 100.0% of the trust beneficial interests (“**TBI**”) in respect of each of the Japan Properties for a purchase consideration of ¥7.035 billion (equivalent to approximately S\$75.8 million);

- (c) Somerset Central TD Hai Phong City, a serviced residence located at Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam (the “**Vietnam Property**”) through the acquisition by Somerset Central TD Pte. Ltd., a wholly-owned subsidiary of Ascott Reit (the “**Vietnam Purchaser**”) from Vibrant Coral Overseas Inc. (the “**Vietnam Vendor**”) of a 100.0% interest in Somerset Central TD Company Limited (which owns a 100.0% interest in the Vietnam Property) for a purchase consideration of VND208.2 billion (equivalent to approximately S\$12.5 million);
- (d) Standard at Columbia, a student accommodation property under development located at 1401 Assembly Street, Columbia, South Carolina 29201, United States of America (the “**US Property**”) through the acquisition by Ascott REIT PBSA Pte. Ltd., a wholly-owned subsidiary of Ascott Reit (the “**US Purchaser**”) from TAHL PBSA Venture Pte. Ltd. (the “**US Vendor**”) of a 50.0% interest in Columbia PBSA Venture Pte. Ltd. (which owns a 100.0% interest in Columbia Student Venture REIT LLC, which in turn owns a 90.0% interest in Columbia Student Venture, LLC, which in turn owns a 100.0% interest in Columbia Student Property Owner, LLC, which in turn owns a 100.0% interest in the US Property) for a purchase consideration of USD19.9<sup>3</sup> million (equivalent to approximately S\$27.7 million); and
- (e) Quest Cannon Hill, a serviced residence located at 930 Wynnum Road, Cannon Hill, Brisbane, Queensland 4170, Australia (the “**Australia Property**”) through the acquisition by One AR Pty Ltd (in its capacity as trustee of Ascott REIT Cannon Hill Trust) (the “**Australia Purchaser**”) from Balsamine (Brisbane) Pty Ltd (the “**Australia Vendor**”) of a 100.0% interest in the Australia Property for a purchase consideration of AUD28.5 million (equivalent to approximately S\$27.5 million),

and the aggregate purchase consideration for the Acquisitions is S\$215.2 million (the “**Aggregate Purchase Consideration**”).

Pursuant to the facility agreement dated 23 November 2021 entered into between Oversea-Chinese Banking Corporation, Limited, as lender, Ascott Holdings (Europe) Pte. Ltd., as borrower, and The Ascott Holdings Limited (“**TAHL**”), as guarantor, Oversea-Chinese Banking Corporation, Limited granted a €49.5 million facility to Ascott Holdings (Europe) Pte. Ltd. for the purpose of refinancing the term loan facility granted under the facility agreement dated 28 November 2011 for the acquisition by the France Vendor of the France Property (the “**France Loan**”). Further, in connection with the France Loan, Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd entered into an interest rate swap agreement for €29.5 million dated 22 December 2021 (the “**France IRS**”). In connection with, and on completion of, the France Acquisition, the Trustee shall enter into (A) the amendment and restatement agreement with Ascott Holdings (Europe) Pte. Ltd., Oversea-Chinese Banking Corporation, Limited and TAHL (the “**France Loan Amendment and Restatement Agreement**”) to provide for, *inter alia*, the accession of the Trustee, as incoming borrower, and the discharge of (1) Ascott Holdings (Europe) Pte. Ltd., as outgoing borrower, and (2) TAHL, as outgoing guarantor, on the terms and subject to the conditions of the France Loan Amendment and Restatement Agreement; and (B) the novation agreement with Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd in relation to the novation of the rights and obligations under the France IRS from The Ascott Capital Pte Ltd to the Trustee (the “**France Loan IRS Novation Agreement**”) and together with the France Loan Amendment and Restatement Agreement, collectively, the “**France Loan Assignment Documents**”).

(See paragraph 3.5 of the Letter to Stapled Securityholders for further details.)

3 ART currently owns a 50.0% interest in Columbia PBSA Venture Pte. Ltd., which is equivalent to a 45.0% effective interest in the US Property.

## The Master Leases

### (a) The France Master Lease

Upon completion of the Acquisitions, Ascott Kleber SNC shall enter into a master lease in respect of the France Property (excluding the Restaurant Unit) with Citadines Arc de Triomphe Operating SAS (the “**France Master Lessee**”), a wholly-owned subsidiary of The Ascott Limited (“**TAL**”, and the master lease, the “**France Master Lease**”), pursuant to which Ascott Kleber SNC shall grant the France Master Lease to the France Master Lessee for a term of 10 years, commencing from the date of completion of the Acquisitions. Under the France Master Lease, the France Master Lessee will waive its right to unilaterally terminate the France Master Lease at the end of every 3-year period of the France Master Lease.

Upon entry into the France Master Lease, TAL will enter into a guarantee in favour of the Trustee under which TAL guarantees the payment of rent and other charges, fees and amounts under the France Master Lease during the lease term.

### (b) The Japan Master Leases

Upon completion of the Acquisitions, DB Trust Company Limited Japan (currently known as Sanne Group Japan Trust Company Limited) as the trustee in respect of the TBI in relation to each of the Japan Properties (“**DB Trust**”) shall enter into separate master lease agreements including supplementals to the existing master leases (the “**Japan Master Leases**”) with Japan Residence One YK (the “**Japan Master Lessee**”), pursuant to which all of the Japan Properties are leased to the Japan Master Lessee (being Japan Residence One YK<sup>4</sup>, as the “pass-through” master lessee under each of the Japan Master Leases). The use of the “pass-through” master lessee is to facilitate lease administration. The Japan Properties are in turn leased to individual end tenants by the Japan Master Lessee.

### (c) The Australia Master Lease

Upon completion of the Acquisitions, the existing master lease agreement between the Australia Vendor and Quest Cannon Hill Tenancy Pty Ltd (the “**Australia Master Lessee**”), a wholly-owned subsidiary of TAL, in relation to the Australia Property (the “**Australia Master Lease**”) shall be assigned by the Australia Vendor to the Australia Purchaser.

The Australia Master Lease is for an initial term of 10 years commencing on 11 June 2018 and ending on 10 June 2028, subject to renewals for up to 3 further terms of 5 years each at the Australia Master Lessee’s option.

(See paragraph 3.10 of the Letter to Stapled Securityholders for further details on the France Master Lease, the Japan Master Leases and the Australia Master Lease (collectively, the “**Master Leases**”).)

<sup>4</sup> The Japan Master Lessee is a wholly-owned subsidiary of CapitaLand (see paragraph 6.2 for further details in respect of CapitaLand). The Japan Master Lessee is merely a “pass-through” vehicle and the Japan Master Lessee will pay all revenue it receives from the other tenants to DB Trust as the trustee in respect of the TBI in relation to each of the Japan Properties. The Japan Master Lessee does not charge any fee or retain any amount for acting as a “pass-through” vehicle, the purpose of which is to facilitate lease administration.

## The Management Agreements

### (a) The Vietnam SR Management Agreement

Upon completion of the Acquisitions, the Vietnam Property will be managed and operated by Ascott International Management (Vietnam) Co., Ltd (“**AIMVCL**”), a wholly-owned subsidiary of TAL. Somerset Central TD Company Limited will enter into a new serviced residence management agreement with AIMVCL in relation to the Vietnam Property, pursuant to which AIMVCL will be engaged as the manager of the Vietnam Property to operate, manage, promote, market and maintain the Vietnam Property for and on behalf of Somerset Central TD Company Limited during the term of the agreement (the “**Vietnam SR Management Agreement**”).

### (b) The Amended Pre-Existing Asset Management Agreement

The amended and restated asset management agreement dated 25 December 2020 was entered into between CapitaLand (Japan) Kabushiki Kaisha (“**CJJK**”), a wholly-owned subsidiary of CapitaLand, and the Japan Purchaser prior to the Acquisitions (the “**Pre-Existing Asset Management Agreement**”), pursuant to which the Japan Purchaser appointed CJJK as the asset manager for the portfolio of certain properties of the Japan Purchaser in Japan. Upon completion of the Acquisitions, the Pre-Existing Asset Management Agreement will be amended to appoint CJJK as the asset manager for the portfolio of properties of the Japan Purchaser enlarged to include the Japan Properties for the period commencing on the date of completion of the Acquisitions and expiring on 24 December 2030 (the “**Amended Pre-Existing Asset Management Agreement**”).

### (c) The Pre-Existing Property Management Agreements

The property management agreements were entered into between CJJK, a wholly-owned subsidiary of CapitaLand, and DB Trust, as the trustee in respect of the TBI in relation to each of the Japan Properties, prior to the Acquisitions (the “**Pre-Existing Property Management Agreements**”, together with the Vietnam SR Management Agreement and the Amended Pre-Existing Asset Management Agreement, the “**Management Agreements**”), under which DB Trust appointed CJJK as the master property manager in respect of each of the Japan Properties. Upon completion of the acquisition of the Japan Properties, CJJK will continue to be the property manager in respect of each of the Japan Properties under the Pre-Existing Property Management Agreements, which will continue to subsist following the completion of the Acquisitions.

(See paragraph 3.11 of the Letter to Stapled Securityholders for further details.)

## Estimated Total Transaction Costs

The estimated total transaction costs of the Acquisitions is approximately S\$15.3 million, comprising:

- (a) the estimated fees and expenses of approximately S\$12.3 million<sup>5</sup> incurred or to be incurred by Ascott Reit in connection with the Acquisitions (including professional fees and fund raising costs); and

<sup>5</sup> Comprising stamp duty and consumption taxes in connection with the France Acquisition, the Japan Acquisition, the US Acquisition and the Australia Acquisition of approximately S\$6.9 million, legal and other professional fees (including technical due diligence, valuation, independent financial adviser, auditors’ and tax advisers’ fees) of approximately S\$2.7 million, fees and expenses in connection with the fund raising of approximately S\$1.8 million and other expenses (including printing and EGM expenses) of approximately S\$0.9 million.



- (b) the acquisition fees (being 1.0% of the Enterprise Value<sup>6</sup> of S\$304.0 million) of approximately S\$3.0 million. As the Acquisitions will constitute Interested Party Transactions under the Property Funds Appendix, the total acquisition fees payable to the Ascott Reit Manager will be in the form of Stapled Securities<sup>7</sup>, which shall not be sold within 1 year from the date of issuance.

### Method of Financing the Acquisitions

ART intends to finance the Aggregate Purchase Consideration<sup>8</sup> and the total costs relating to the Acquisitions with debt and/or the proceeds from a private placement to institutional, accredited and other investors (the “**Private Placement**”), so as to ensure that the Acquisitions will provide overall DPS accretion to Stapled Securityholders while maintaining an optimum level of aggregate leverage. See announcement on “Launch of Private Placement to raise gross proceeds of approximately S\$150.0 million” dated 15 August 2022 for details of the Private Placement.

The final decision regarding the financing to be employed for the purposes of financing the Acquisitions will be made by the Managers at the appropriate time taking into account the then prevailing market conditions and interest rate environment, the impact on ART’s capital structure, DPS and debt expiry profile and the covenants and requirements associated with each financing option.

A further breakdown of the costs of the Acquisitions and the current intended sources of funds are as follows:

Costs	(S\$ million)	Sources of funds	(S\$ million)
Aggregate Purchase Consideration <sup>9</sup>	215.2	Proceeds from the Private Placement	122.3
Associated costs <sup>(1)</sup> of the Acquisitions (including applicable stamp duties, legal and other professional fees and expenses)	12.3	Debt	112.2
Development costs and interest costs to be incurred for the US Property	36.0	Funding for France Deferred Payment <sup>(2)</sup>	29.0
<b>Total</b>	263.5	<b>Total</b>	263.5

6 “**Enterprise Value**” shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by Ascott Reit and where the asset acquired by Ascott Reit is a real estate, “Enterprise Value” shall mean the value of the real estate as defined in the Ascott Reit Trust Deed. The acquisition fees are payable in accordance with the Ascott Reit Trust Deed and the Stapling Deed, and deemed approved by the Stapled Securityholders.

7 Stapled Securities to be issued as the acquisition fee (the “**Acquisition Fee Stapled Securities**”) will be issued at an issue price equal to the volume weighted average price for a Stapled Security for all trades on the SGX-ST, in the ordinary course of trading, for the period of 10 Business Days immediately preceding the date of completion of the relevant acquisition pursuant to Clause 5.2.4(i)(b) of the Ascott Reit Trust Deed and Clause 4 of the Stapling Deed.

8 The financing for the France Deferred Payment will not be made at the same time as the financing for the remaining portion of the Aggregate Purchase Consideration as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee’s renovation works have been completed in accordance with terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date). This is to align the France Master Lessee’s interest with ART’s such that the renovation will be substantially completed. The Managers will evaluate the various funding options available when the France Deferred Payment is due, and the mode of financing for the France Deferred Payment will be made by the Managers at the appropriate time.

9 Excludes the cost of the Asset Enhancement Initiative for the France Property. Such amount is not included in determining the purchase consideration payable to the France Vendor for the France Acquisition as such cost is not incurred or assumed by ART for the benefit of the France Vendor, and will only be undertaken in line with ART’s plans to refresh the France Property only after and subject to completion of the France Acquisition.

**Notes:**

- (1) The associated costs of S\$12.3 million comprise stamp duty and consumption taxes in connection with the France Acquisition, the Japan Acquisition, the US Acquisition and the Australia Acquisition of approximately S\$6.9 million, legal and other professional fees (including technical due diligence, valuation, independent financial adviser, auditors' and tax advisers' fees) of approximately S\$2.7 million, fees and expenses in connection with the fund raising of approximately S\$1.8 million and other expenses (including printing and EGM expenses) of approximately S\$0.9 million. Excludes acquisition fees of approximately S\$3.0 million, which will be payable in Stapled Securities to the Ascott Reit Manager.
- (2) The financing for the France Deferred Payment will not be made at the same time as the financing for the remaining portion of the Aggregate Purchase Consideration as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee's renovation works have been completed in accordance with the terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date). This is to align the France Master Lessee's interest with ART's such that the renovation will be substantially completed. The Managers will evaluate the various funding options available when the France Deferred Payment is due, and the mode of financing for the France Deferred Payment will be made by the Managers at the appropriate time.

(See paragraph 3.9 of the Letter to Stapled Securityholders for further details.)

**RATIONALE FOR AND BENEFITS OF THE TRANSACTIONS**

The Acquisitions represent an opportunity for ART to acquire good quality assets in the developed markets of France, Japan, US and Australia and the growing market of Vietnam, enabling ART to leverage on its well-established local capabilities and strengthen its presence in these countries where, as at 31 March 2022, it owns 28 serviced residence properties, 15 hotels, 14 rental housing properties and 9 student accommodation properties.

The overarching rationale and key benefits of the Transactions are set out below.

**(a) Enhance DPS to Stapled Securityholders**

On a FY2021 *pro forma* basis, total distribution is expected to increase by S\$9.2 million following the Acquisitions. Assuming the total acquisition cost of S\$263.5 million is approximately 54.0% funded by debt, FY2021 DPS is expected to increase from 4.32 cents to 4.44 cents, translating to a DPS accretion of 2.8%<sup>10</sup>.

**(b) Consolidate ART's position as the largest hospitality trust in Asia Pacific**

As at 31 December 2021, ART's assets under management ("AUM") was S\$7.7 billion. Including the Acquisitions, ART's AUM is expected to increase by a further S\$0.4 billion (which is equivalent to a 5.2% increase) to S\$8.1 billion, on a *pro forma* basis. In the first quarter of FY2022, ART completed the acquisition of Paloma Kent (formerly known as Latitude at Kent) and announced the turnkey acquisition of 4 rental housing properties and 1 student accommodation property in Japan, which boosts the AUM by S\$0.2 billion. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the AUM will increase by 7.8% to S\$8.3 billion, comprising 107 properties<sup>11</sup>.

10 Please refer to paragraph 5 of the Letter to Stapled Securityholders for further details, including the DPS and DPS accretion sensitivity analysis at various issue prices and numbers of the Stapled Securities issued under the Private Placement.

11 Namely, 57 serviced residence properties, 18 hotels, 23 rental housing properties and 9 student accommodation properties.

The asset value<sup>12</sup> of the France Acquisition, Japan Acquisition, Vietnam Acquisition, US Acquisition and Australia Acquisition each represent 43.0%, 22.0%, 7.0%, 20.0% and 8.0% respectively of the total asset value of the Acquisitions.

With the Acquisitions, ART will remain Asia Pacific centric with total assets in Asia Pacific comprising around 61.0% of ART's total assets, and Europe and the Americas comprising around 20.0% and 19.0% respectively. A geographically diversified portfolio ensures that there is no concentration risk in any country, providing Stapled Securityholders with income resilience at different points of the market cycle. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the total assets contribution from Asia Pacific, Europe and the Americas is 62.0%, 19.0% and 19.0% respectively.

**(c) Increase income resilience with higher proportion of stable income**

In FY2021, the proportion of ART's stable and growth income<sup>13</sup> was 69.0% and 31.0% respectively. In line with the Managers' strategy to build a base of stable income streams, the Acquisitions are expected to increase the proportion of ART's stable income from 69.0% to 70.0% on a *pro forma* basis, as stable income accounts for 92.0% of the gross profit contribution of the Properties acquired under the Acquisitions<sup>14</sup>. Including the acquisitions announced and/or completed up to 31 March 2022, the proportion of ART's stable income, on a *pro forma* basis, will increase to 71.0%<sup>15,16</sup>.

**Master Leases** – The France Property (excluding the Restaurant Unit) and Australia Property have master lease arrangements with fixed rents (revised annually<sup>17</sup>) which provide Stapled Securityholders with certainty of income.

**Longer-Stay Assets** – The Japan Properties and US Property are also expected to generate stable income due to their long length of stay. The Japan Properties serve mostly the corporate, domestic and long-stay segments, which have a long average length of stay of about 2 years. The US Property, upon completion, will offer income stability to the portfolio as the student accommodation asset class is counter-cyclical and has an average length of stay of about 1 year. Rental housing and student accommodation properties offer income stability as the tenants are less likely to relocate even during times of uncertainty. ART's existing rental housing and student accommodation properties were resilient during COVID-19, with high average occupancies of above 95.0%.

While the Vietnam Property is under a management contract, its long-stay corporate guest profile with an average length of stay of 11 months in 2021 is also expected to offer a stable stream of income to ART.

12 Refers to total capitalised costs including outstanding development cost and capitalised interest expense.

13 Stable income sources include master leases, management contracts with minimum guaranteed income ("MCMGI"), rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels. As at 31 March 2022, ART has 31 master leases, 4 MCMGI, and 58 management contracts.

14 Growth income accounts for the remaining 8.0%.

15 The remaining 29.0% is attributable to growth income.

16 Following the Acquisitions and acquisitions announced and/or completed up to 31 March 2022, ART will have 33 master leases, 4 MCMGI and 68 management contracts.

17 The France Master Lease is subject to annual rent revision pegged to the French Commercial Rent Index. The Australia Master Lease's rent increase is fixed at 3.0% per year until a rent review in the 6th year of the lease term.

**(d) Increase investment in the attractive longer-stay asset class**

In line with the Managers' strategy to increase ART's asset allocation in longer-stay properties (rental housing properties and student accommodation) to 25% – 30% in the medium term, the Acquisitions are expected to increase the proportion of longer-stay properties from 17.0%<sup>18</sup> to 19.0% of ART's portfolio value<sup>19</sup>.

**Rental Housing** – Rental housing properties in Japan typically serve guests from the local Japanese corporate and long-stay segments. With housing prices in Japan rising faster than wages, renting is preferred over home ownership. In addition, some regional cities including Osaka are expected to attract more relocations on the back of mega-scale projects and events such as the Expo 2025. Supported by an expanding economy, rents in major Japan markets are expected to continue to grow.

The Japan Properties have long lease tenures of about 2 years and serve the local Japanese corporate and long-stay market segments that are less likely to relocate even during times of uncertainty. As such, although under management contracts, the Acquisitions will enhance the income stability of ART's portfolio. ART's 14 existing rental housing properties were resilient and registered an average occupancy of above 95.0% in FY2021, despite COVID-19.

As at 31 December 2021, ART's rental housing portfolio comprised 14 properties located across various cities in Japan, including Tokyo, Osaka, Kyoto, Fukuoka, Hiroshima and Sapporo. In March 2022, ART announced the turnkey acquisition of 4 rental housing properties in Japan, which are expected to complete between 4Q 2022 and 2Q 2023. Including the turnkey acquisitions, the acquisition of the Japan Properties will further expand ART's footprint in the Japan rental housing sector to 23 properties, while entering 2 new markets, Nagoya and Hyogo.

**Student Accommodation** – Student accommodation is a defensive asset class as education is less correlated to economic and hospitality cycles. Student accommodation properties typically have an average length of stay of about 1 year. Prime assets are located within walking distance to reputable universities, or universities with an elite college athletics status. Similar to its rental housing properties, ART's existing student accommodation properties were resilient despite the COVID-19 pandemic and registered high occupancies in FY2021.

The US Property is within walking distance to the campus of the prestigious University of South Carolina. The university is the largest in the state of South Carolina, with over 35,000 students enrolled and growing. In June 2021, ART had acquired a 45.0% development stake in the US Property and since then, the demand for student accommodation properties in the US has grown and market capitalisation rates have compressed. Valuations by JLL and CBRE have shown a corresponding increase in the valuation of the US Property. In view of the strong fundamentals and rising interest in the student accommodation asset class, it would be opportunistic for ART to acquire an additional 45.0% effective stake of the US Property at an agreed property value of USD24.5 million compared to the Appraised Value of USD29.7 million. Further, for an ongoing development that has less than 1 year of construction to completion, the US Acquisition carries little residual development risk. The stabilised EBITDA yield on cost in respect of the US Property is estimated to be about 5.0%<sup>20</sup>.

(See **Appendix C** of this Circular for the market research report in relation to the rental housing market in Japan and student accommodation market in the US.)

18 Portfolio value is based on property valuations as at 31 December 2021, value of acquisitions announced or completed up to 31 March 2022 and properties under development.

19 The remaining ART portfolio value is attributable to serviced residences and hotels, namely, 83.0% (prior to the Acquisitions) and 81.0% (after the Acquisitions).

20 Stabilised EBITDA is based on JLL's valuation report for the US Property on a stabilised basis. The cost of development is based on the agreed property value of the US Property plus outstanding construction cost and capitalised interest expense for the development.

**(e) Well-located, quality serviced residences positioned to benefit from the recovery in travel demand**

The France Property, the Australia Property, and the Vietnam Property are quality serviced residences located in key gateway cities and growth markets which are expected to benefit from the post-COVID-19 recovery in travel demand.

The France Property is a well-located luxury serviced residence within a 5-to-10-minute drive from high profile tourist districts including the Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs-Élysées. In July 2022, the France Property achieved an occupancy of close to 80.0%, which is above pre-COVID-19 levels, and an average daily rate that surpassed pre-COVID-19 levels by over 30.0%. According to CBRE's research<sup>21</sup>, the Parisian market is expected to fully recover by 2023.

The Australia Property is a serviced residence with less than 5 years of age. It is located within a retail and commercial precinct and enjoys convenient access to the city's central business district. It is a 5-minute walk to the Southgate Business Park and a 10-minute drive to the Metroplex on Gateway Estate and Port of Brisbane industrial areas. The Australia Property has achieved an occupancy of about 95.0% in July 2022, exceeding pre-COVID-19 levels. According to CBRE's research, demand and occupancy levels in Brisbane are expected to increase in the coming years, underpinned by infrastructure projects such as the Queens Wharf Precinct Development (AUD3.6 billion), Herston Quarter Staged Project (AUD1.1 billion), a new international cruise terminal (AUD177 million), and the New Performance Arts Venue (AUD125 million).

The Vietnam Property is a serviced residence located in the growth city of Hai Phong. Hai Phong is the third largest city and one of the largest industrial hubs and ports of Vietnam. According to CBRE's research, Hai Phong surpassed Ho Chi Minh City, Hanoi and Binh Duong in 2021 in attracting foreign investment, with a registered capital of more than USD5.3 billion, nearly 3.5 times higher than the same period in 2020. A 10-minute drive from the Cat Bi International Airport and 15-minute drive from 3 industrial parks – Deep C, Dinh Vu and South Dinh Vu Industrial Zone, the Vietnam Property is well-positioned to capture the demand arising from foreign direct investment and business activities in the city. The Vietnam Property achieved an occupancy of more than 90.0% in July 2022, which is in line with pre-COVID-19 levels. According to CBRE's research, market revenue per available room ("RevPAR") in Hai Phong is expected to gradually improve over the medium to long term, on the back of demand from rising foreign direct investment and business activity. New infrastructure developments which are expected to drive this demand include the addition of nine seaport terminals between 2020 and 2025 and a new terminal in Cat Bi Airport that will raise the total capacity of the airport to 8 million passengers per annum by 2025. As the only growth income asset in the Acquisition, the EBITDA yield of the Vietnam Property is estimated to be approximately 9.7%<sup>22</sup> based on the historical pre-COVID-19 EBITDA levels in 2019.

**(f) Opportunity to acquire green, sustainably managed properties**

The France Property, the Vietnam Property, and the Australia Property are expected to be green certified by 2023. The US Property, upon completion, will also be green certified. Including the Acquisitions, ART's proportion of green certified properties<sup>23</sup> is expected to increase approximately from 35.0%<sup>24</sup> to 38.0%, in line with ART's target to green 50% of the portfolio by 2025.

21 Please refer to the market research report in Appendix C.

22 Based on 2019 EBITDA and the agreed property value of the Vietnam Property.

23 Based on gross floor area of ART's properties by sq m.

24 As at May 2022.



## INTERESTED PERSON TRANSACTIONS AND INTERESTED PARTY TRANSACTIONS

### The IPT Transactions

As at 8 August 2022 (the “**Latest Practicable Date**”), CapitaLand (a) directly and/or through its wholly-owned subsidiaries and through its interest in each of the Managers, has direct and deemed interests of approximately 39.2% in ART, and (b) wholly owns each of the Managers, and is therefore regarded as a Controlling Unitholder of Ascott Reit and a Controlling Shareholder of the Ascott Reit Manager under the Property Funds Appendix, and a Controlling Stapled Securityholder of ART and a Controlling Shareholder of each of the Managers under the Listing Manual.

CapitaLand holds:

- (a) a 100.0% interest in the France Vendor through Ascott Holdings (Europe) Pte. Ltd., a wholly-owned subsidiary of TAHL, which is in turn a wholly-owned subsidiary of CapitaLand;
- (b) a 88.9% interest in the Japan Vendor through CRL Investment Pte. Ltd., a wholly-owned subsidiary of Ascott Investment Holdings Ltd., which is in turn a wholly-owned subsidiary of TAHL, a wholly-owned subsidiary of CapitaLand;
- (c) a 100.0% interest in the Vietnam Vendor through Ascott Investment Holdings Ltd., a wholly-owned subsidiary of TAHL, which is in turn a wholly-owned subsidiary of CapitaLand;
- (d) a 100.0% interest in the US Vendor through TAHL, a wholly-owned subsidiary of CapitaLand; and
- (e) a 100.0% interest in the Australia Vendor through TAHL, a wholly-owned subsidiary of CapitaLand.

The Master Lessees, the Property Managers, Ascott Holdings (Europe) Pte. Ltd. and The Ascott Capital Pte Ltd are wholly-owned subsidiaries of CapitaLand. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendors, the Master Lessees, the Property Managers, Ascott Holdings (Europe) Pte. Ltd. and The Ascott Capital Pte Ltd are Interested Persons<sup>25</sup> and Interested Parties<sup>26</sup> of ART. As such, the Acquisitions, and the entry into the Master Leases, the Management Agreements and the France Loan Assignment Documents (the “**IPT Transactions**”) will constitute Interested Person Transactions under Chapter 9 of the Listing Manual and/or Interested Party Transactions under Paragraph 5 of the Property Funds Appendix for which Stapled Securityholders’ approval is required.

25 The Listing Manual states that in the case of a REIT, the term “interested person” shall have the meaning ascribed to the term “interested party” in the Code on Collective Investment Schemes, namely:

- (a) a director, chief executive officer or Controlling Shareholder of the REIT manager;
- (b) the REIT manager, the trustee or controlling unitholder of the REIT; or
- (c) an associate of any of the persons or entities in (a) or (b) above, as each such term is defined in the Code on Collective Investment Schemes.

26 As defined in the Property Funds Appendix, the term “**Interested Party**” means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or controlling unitholder of the property fund.

## **INDEPENDENT FINANCIAL ADVISER'S OPINION**

Having deliberated on relevant factors which it considers to be pertinent in its assessment of the IPT Transactions, Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser ("**IFA**"), is of the opinion that the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders. Please refer to **Appendix A** of this Circular for the IFA Letter.

## **INDEPENDENT DIRECTORS' RECOMMENDATIONS**

Based on the opinion of the IFA and the rationale for and benefits of the Transactions as set out in paragraph 1.2 of the Letter to Stapled Securityholders, the Independent Directors (which includes the Audit Committee) are of the view that the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders. Accordingly, the Independent Directors recommend that Stapled Securityholders vote at the extraordinary general meeting ("**EGM**") in favour of the Resolution.

## LETTER TO STAPLED SECURITYHOLDERS

### 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)

#### Directors:

Mr. Tan Beng Hai, Bob (Chairman and Non-Executive Independent Director)  
Ms. Teo Joo Ling, Serena (Chief Executive Officer and Executive Non-Independent Director)  
Mr. Sim Juat Quee Michael Gabriel (Non-Executive Independent Director)  
Mr. Chia Kim Huat (Non-Executive Independent Director)  
Ms. Deborah Lee Siew Yin (Non-Executive Independent Director)  
LG Ong Su Kiat Melvyn (Non-Executive Independent Director)  
Mr. Goh Soon Keat Kevin (Non-Executive Non-Independent Director)  
Ms. Beh Siew Kim (Non-Executive Non-Independent Director)

#### Registered Office:

168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912

15 August 2022

To: The Stapled Securityholders of Ascott Residence Trust

Dear Sir/Madam

## 1. OVERVIEW OF THE TRANSACTIONS

### 1.1 Summary of the IPT Transactions

The Managers propose to seek the approval of the Stapled Securityholders by way of Ordinary Resolution for the Acquisitions, comprising the following:

- (a) the France Acquisition;
- (b) the Japan Acquisition;
- (c) the Vietnam Acquisition;
- (d) the US Acquisition; and
- (e) the Australia Acquisition,

and entry into (i) the Master Leases and the Management Agreements in respect of the Properties, and (ii) the France Loan Assignment Documents in respect of the France Property.

### 1.2 Rationale for and Benefits of the Transactions

As at 31 March 2022, ART's international portfolio comprises 95 properties (namely, 54 serviced residences, 18 hotels and business hotels, 14 rental housing properties and 9 student accommodation properties) with more than 17,000 units in 44 cities across 15 countries in Asia Pacific, Europe and the US.

The Acquisitions represent an opportunity for ART to acquire good quality assets in the developed markets of France, Japan, US and Australia and the growing market of Vietnam, enabling ART to leverage on its well-established local capabilities and strengthen its presence in these countries where, as at 31 March 2022, it owns 28 serviced residence properties, 15 hotels, 14 rental housing properties and 9 student accommodation properties.

The overarching rationale and key benefits of the Transactions are set out below.

**(a) Enhance DPS to Stapled Securityholders**

On a FY2021 *pro forma* basis, total distribution is expected to increase by S\$9.2 million following the Acquisitions. Assuming the total acquisition cost of S\$263.5 million is approximately 54.0% funded by debt, FY2021 DPS is expected to increase from 4.32 cents to 4.44 cents, translating to a DPS accretion of 2.8%<sup>27</sup>.

**(b) Consolidate ART's position as the largest hospitality trust in Asia Pacific**

As at 31 December 2021, ART's assets under management ("**AUM**") was S\$7.7 billion. Including the Acquisitions, ART's AUM is expected to increase by a further S\$0.4 billion (which is equivalent to a 5.2% increase) to S\$8.1 billion, on a *pro forma* basis. In the first quarter of FY2022, ART completed the acquisition of Paloma Kent (formerly known as Latitude at Kent) and announced the turnkey acquisition of 4 rental housing properties and 1 student accommodation property in Japan, which boosts the AUM by S\$0.2 billion. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the AUM will increase by 7.8% to S\$8.3 billion, comprising 107 properties<sup>28</sup>.

The asset value<sup>29</sup> of the France Acquisition, Japan Acquisition, Vietnam Acquisition, US Acquisition and Australia Acquisition each represent 43.0%, 22.0%, 7.0%, 20.0% and 8.0% respectively of the total asset value of the Acquisitions.

With the Acquisitions, ART will remain Asia Pacific centric with total assets in Asia Pacific comprising around 61.0% of ART's total assets, and Europe and the Americas comprising around 20.0% and 19.0% respectively. A geographically diversified portfolio ensures that there is no concentration risk in any country, providing Stapled Securityholders with income resilience at different points of the market cycle. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the total assets contribution from Asia Pacific, Europe and the Americas is 62.0%, 19.0% and 19.0% respectively.

<sup>27</sup> Please refer to paragraph 5 of the Letter to Stapled Securityholders for further details, including the DPS and DPS accretion sensitivity analysis at various issue prices and numbers of the Stapled Securities issued under the Private Placement.

<sup>28</sup> Namely, 57 serviced residence properties, 18 hotels, 23 rental housing properties and 9 student accommodation properties.

<sup>29</sup> Refers to total capitalised costs including outstanding development cost and capitalised interest expense.

**(c) Increase income resilience with higher proportion of stable income**

In FY2021, the proportion of ART's stable and growth income<sup>30</sup> was 69.0% and 31.0% respectively. In line with the Managers' strategy to build a base of stable income streams, the Acquisitions are expected to increase the proportion of ART's stable income from 69.0% to 70.0% on a *pro forma* basis, as stable income accounts for 92.0% of the gross profit contribution of the Properties acquired under the Acquisitions<sup>31</sup>. Including the acquisitions announced and/or completed up to 31 March 2022, the proportion of ART's stable income, on a *pro forma* basis, will increase to 71.0%<sup>32, 33</sup>.

**Master Leases** – The France Property (excluding the Restaurant Unit) and Australia Property have master lease arrangements with fixed rents (revised annually) which provide Stapled Securityholders with certainty of income.

**Longer-Stay Assets** – The Japan Properties and US Property are also expected to generate stable income due to their long length of stay. The Japan Properties serve mostly the corporate, domestic and long-stay segments, which have a long average length of stay of about 2 years. The US Property, upon completion, will offer income stability to the portfolio as the student accommodation asset class is counter-cyclical and has an average length of stay of about 1 year. Rental housing and student accommodation properties offer income stability as the tenants are less likely to relocate even during times of uncertainty. ART's existing rental housing and student accommodation properties were resilient during COVID-19, with high average occupancies of above 95.0%.

While the Vietnam Property is under a management contract, its long-stay corporate guest profile with an average length of stay of 11 months in 2021 is also expected to offer a stable stream of income to ART.

**(d) Increase investment in the attractive longer-stay asset class**

In line with the Managers' strategy to increase ART's asset allocation in longer-stay properties (rental housing properties and student accommodation) to 25% – 30% in the medium term, the Acquisitions are expected to increase the proportion of longer-stay properties from 17.0%<sup>34</sup> to 19.0% of ART's portfolio value<sup>35</sup>.

**Rental Housing** – Rental housing properties in Japan typically serve guests from the local Japanese corporate and long-stay segments. With housing prices in Japan rising faster than wages, renting is preferred over home ownership. In addition, some regional cities including Osaka are expected to attract more relocations on the back of mega-scale projects and events such as the Expo 2025. Supported by an expanding economy, rents in major Japan markets are expected to continue to grow.

30 Stable income sources include master leases, MCMGI, rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels. As at 31 March 2022, ART has 31 master leases, 4 MCMGI, and 58 management contracts.

31 Growth income accounts for the remaining 8.0%.

32 The remaining 29.0% is attributable to growth income.

33 Following the Acquisitions and acquisitions announced and/or completed up to 31 March 2022, ART will have 33 master leases, 4 MCMGI and 68 management contracts.

34 Portfolio value is based on property valuations as at 31 December 2021, value of acquisitions announced and/or completed up to 31 March 2022 and properties under development.

35 The remaining ART portfolio value is attributable to serviced residences and hotels, namely, 83.0% (prior to the Acquisitions) and 81.0% (after the Acquisitions).

The Japan Properties have long lease tenures of about 2 years and serve the local Japanese corporate and long-stay market segments that are less likely to relocate even during times of uncertainty. As such, although under management contracts, the Acquisitions will enhance the income stability of ART's portfolio. ART's 14 existing rental housing properties were resilient and registered an average occupancy of above 95.0% in FY2021, despite COVID-19.

As at 31 December 2021, ART's rental housing portfolio comprised 14 properties located across various cities in Japan, including Tokyo, Osaka, Kyoto, Fukuoka, Hiroshima and Sapporo. In March 2022, ART announced the turnkey acquisition of 4 rental housing properties in Japan, which are expected to complete between 4Q 2022 and 2Q 2023. Including the turnkey acquisitions, the acquisition of the Japan Properties will further expand ART's footprint in the Japan rental housing sector to 23 properties, while entering 2 new markets, Nagoya and Hyogo.

**Student Accommodation** – Student accommodation is a defensive asset class as education is less correlated to economic and hospitality cycles. Student accommodation properties typically have an average length of stay of about 1 year. Prime assets are located within walking distance to reputable universities, or universities with an elite college athletics status. Similar to its rental housing properties, ART's existing student accommodation properties were resilient despite the COVID-19 pandemic and registered high occupancies in FY2021.

The US Property is within walking distance to the campus of the prestigious University of South Carolina. The university is the largest in the state of South Carolina, with over 35,000 students enrolled and growing. In June 2021, ART had acquired a 45.0% development stake in the US Property and since then, the demand for student accommodation properties in the US has grown and market capitalisation rates have compressed. Valuations by JLL and CBRE have shown a corresponding increase in the valuation of the US Property. In view of the strong fundamentals and rising interest in the student accommodation asset class, it would be opportunistic for ART to acquire an additional 45.0% effective stake of the US Property at an agreed property value of USD24.5 million compared to the Appraised Value of USD29.7 million. Further, for an ongoing development that has less than 1 year of construction to completion, the US Acquisition carries little residual development risk. The stabilised EBITDA yield on cost in respect of the US Property is estimated to be about 5.0%<sup>36</sup>.

(See **Appendix C** of this Circular for the market research report in relation to the rental housing market in Japan and student accommodation market in the US.)

**(e) Well-located, quality serviced residences positioned to benefit from the recovery in travel demand**

The France Property, the Australia Property, and the Vietnam Property are quality serviced residences located in key gateway cities and growth markets which are expected to benefit from the post-COVID-19 recovery in travel demand.

The France Property is a well-located luxury serviced residence within a 5-to-10-minute drive from high profile tourist districts including the Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs-Élysées. In July 2022, the France Property achieved an average occupancy of close to 80.0%, which is above pre-COVID-19 levels, and an average daily rate that surpassed pre-COVID-19 levels by over 30.0%. According to CBRE's research, the Parisian market is expected to fully recover by 2023.

<sup>36</sup> Stabilised EBITDA based on JLL's valuation for the US Property on a stabilised basis. The cost of development is based on the agreed property value of the US Property plus outstanding construction cost and capitalised interest expense for the development.



The Australia Property is a serviced residence with less than 5 years of age. It is located within a retail and commercial precinct and enjoys convenient access to the city's central business district. It is a 5-minute walk to the Southgate Business Park and a 10-minute drive to the Metroplex on Gateway Estate and Port of Brisbane industrial areas. The Australia Property has achieved an occupancy of about 95.0% in July 2022, exceeding pre-COVID-19 levels. According to CBRE's research, demand and occupancy levels in Brisbane are expected to increase in the coming years, underpinned by infrastructure projects such as the Queens Wharf Precinct Development (AUD3.6 billion), Herston Quarter Staged Project (AUD1.1 billion), a new international cruise terminal (AUD177 million), and the New Performance Arts Venue (AUD125 million).

The Vietnam Property is a serviced residence located in the growth city of Hai Phong. Hai Phong is the third largest city and one of the largest industrial hubs and ports of Vietnam. According to CBRE's research, Hai Phong surpassed Ho Chi Minh City, Hanoi and Binh Duong in 2021 in attracting foreign investment, with a registered capital of more than USD5.3 billion, nearly 3.5 times higher than the same period in 2020. A 10-minute drive from the Cat Bi International Airport and 15-minute drive from 3 industrial parks – Deep C, Dinh Vu and South Dinh Vu Industrial Zone, the Vietnam Property is well-positioned to capture the demand arising from foreign direct investment and business activities in the city. The Vietnam Property achieved an occupancy of more than 90.0% in July 2022, which is in line with pre-COVID-19 levels. According to CBRE's research, market RevPARs in Hai Phong are expected to gradually improve over the medium to long term, on the back of demand from rising foreign direct investment and business activity. New infrastructure developments which are expected to drive this demand include the addition of nine seaport terminals between 2020 and 2025 and a new terminal in Cat Bi Airport that will raise total capacity of the airport to 8 million passengers per annum by 2025. As the only growth income asset in the Acquisition, the EBITDA yield of the Vietnam Property is estimated to be approximately 9.7%<sup>37</sup> based on the historical pre-COVID-19 EBITDA levels in 2019.

**(f) Opportunity to acquire green, sustainably managed properties**

The France Property, the Vietnam Property and the Australia Property are expected to be green certified by 2023. The US Property, upon completion, will also be green certified. Including the Acquisitions, ART's proportion of green certified properties<sup>38</sup> is expected to increase approximately from 35.0%<sup>39</sup> to 38.0%, in line with ART's target to green 50% of the portfolio by 2025.

## **2. SUMMARY OF APPROVALS SOUGHT**

The following paragraphs summarise the approvals which the Managers are seeking from the Stapled Securityholders. Approval by way of an Ordinary Resolution is required in respect of the Resolution.

<sup>37</sup> Based on 2019 EBITDA and the agreed property value of the Vietnam Property.

<sup>38</sup> Based on gross floor area of ART's properties by sq m.

<sup>39</sup> As at May 2022.

**2.1 Ordinary Resolution: The Proposed Acquisition of Interests in Serviced Residence Properties in France, Vietnam and Australia, Rental Housing Properties in Japan and a Student Accommodation Property in South Carolina, US at an Aggregate Purchase Consideration of S\$215.2 Million from Interested Persons and Entry into Master Leases, Management Agreements and France Loan Assignment Documents**

**2.1.1 The Acquisitions**

The acquisition of:

- (a) the France Property through the acquisition by the France Purchaser from the France Vendor of (i) a 100.0% interest in Ascott Holdings (France) SAS (which owns a 99.99% interest in Ascott Kleber SNC, which in turn owns a 100.0% interest in the France Property), and (ii) a 0.01% interest in Ascott Kleber SNC, pursuant to a conditional sale and purchase agreement entered into between the France Purchaser and the France Vendor (the “**France SPA**”);
- (b) the portfolio of Japan Properties, which comprises:
  - (i) the Marunouchi Property;
  - (ii) the House Saison Property;
  - (iii) the S-Residence Shukugawa Property;
  - (iv) the S-Residence Namba Viale Property; and
  - (v) the S-Residence Gakuenzaka Property,through the acquisition by the Japan Purchaser from the Japan Vendor of 100.0% of the TBI in respect of each of the Japan Properties pursuant to a conditional sale and purchase agreement entered into between the Japan Purchaser and the Japan Vendor (the “**Japan SPA**”);
- (c) the Vietnam Property through the acquisition by the Vietnam Purchaser from the Vietnam Vendor of a 100.0% interest in Somerset Central TD Company Limited (which owns a 100.0% interest in the Vietnam Property) pursuant to a conditional sale and purchase agreement entered into between the Vietnam Purchaser and the Vietnam Vendor (the “**Vietnam SPA**”);
- (d) an additional 45.0% effective interest in the US Property through the acquisition by the US Purchaser from the US Vendor of a 50.0% interest in Columbia PBSA Venture Pte. Ltd. (which owns a 100.0% interest in Columbia Student Venture REIT LLC, which in turn owns a 90.0% interest in Columbia Student Venture, LLC, which in turn owns a 100.0% interest in Columbia Student Property Owner, LLC, which in turn owns a 100.0% interest in the US Property) pursuant to a conditional sale and purchase agreement entered into between the US Purchaser and the US Vendor (the “**US SPA**”); and
- (e) the Australia Property through the acquisition by the Australia Purchaser from the Australia Vendor of a 100.0% interest in the Australia Property pursuant to a conditional sale and purchase agreement entered into between the Australia Purchaser and the Australia Vendor (the “**Australia SPA**”, and together with the France SPA, the Japan SPA, the Vietnam SPA and the US SPA, collectively, the “**Sale and Purchase Agreements**”).

Pursuant to the facility agreement dated 23 November 2021 entered into between Oversea-Chinese Banking Corporation, Limited, as lender, Ascott Holdings (Europe) Pte. Ltd., as borrower, and TAHL, as guarantor, Oversea-Chinese Banking Corporation, Limited granted the France Loan to Ascott Holdings (Europe) Pte. Ltd.. Further, in connection with the France Loan, Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd entered into the France IRS. In connection with, and on completion of, the France Acquisition, the Trustee shall enter into (A) the France Loan Amendment and Restatement Agreement with Ascott Holdings (Europe) Pte. Ltd., Oversea-Chinese Banking Corporation, Limited and TAHL to provide for, *inter alia*, the accession of the Trustee, as incoming borrower, and the discharge of (1) Ascott Holdings (Europe) Pte. Ltd., as outgoing borrower, and (2) TAHL, as outgoing guarantor, on the terms and subject to the conditions of the France Loan Amendment and Restatement Agreement; and (B) the France Loan IRS Novation Agreement.

(See paragraphs 3.1 to 3.9 below for further details.)

## **2.1.2 The Master Leases**

### **(a) The France Master Lease**

Upon completion of the Acquisitions, Ascott Kleber SNC shall enter into the France Master Lease with the France Master Lessee, a wholly-owned subsidiary of TAL, pursuant to which Ascott Kleber SNC shall grant the France Master Lease to the France Master Lessee for a term of 10 years, commencing from the date of completion of the Acquisitions. Under the France Master Lease, the France Master Lessee will waive its right to unilaterally terminate the France Master Lease at the end of every 3-year period of the France Master Lease.

Upon entry into the France Master Lease, TAL will enter into a guarantee in favour of the Trustee under which TAL guarantees the payment of rent and other charges, fees and amounts under the France Master Lease during the lease term.

### **(b) The Japan Master Leases**

Upon completion of the Acquisitions, DB Trust, as the trustee in respect of the TBI in relation to each of the Japan Properties, shall enter into separate Japan Master Leases with the Japan Master Lessee, pursuant to which all of the Japan Properties are leased to the Japan Master Lessee (being Japan Residence One YK<sup>40</sup>, as the “pass-through” master lessee under each of the Japan Master Leases). The use of the “pass-through” master lessee is to facilitate lease administration. The Japan Properties are in turn leased to individual end tenants by the Japan Master Lessee.

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40 The Japan Master Lessee is a wholly-owned subsidiary of CapitaLand (see paragraph 6.2 for further details in respect of CapitaLand). The Japan Master Lessee is merely a “pass-through” vehicle and the Japan Master Lessee will pay all revenue it receives from the other tenants to DB Trust as the trustee in respect of the TBI in relation to each of the Japan Properties. The Japan Master Lessee does not charge any fee or retain any amount for acting as a “pass-through” vehicle, the purpose of which is to facilitate lease administration.

**(c) The Australia Master Lease**

Upon completion of the Acquisitions, the existing Australia Master Lease between the Australia Vendor and the Australia Master Lessee, a wholly-owned subsidiary of TAL, shall be assigned by the Australia Vendor to the Australia Purchaser.

The Australia Master Lease is for an initial term of 10 years commencing on 11 June 2018 and ending on 10 June 2028, subject to renewals for up to 3 further terms of 5 years each at the Australia Master Lessee's option.

(See paragraph 3.10 below for further details.)

**2.1.3 The Management Agreements**

**(a) The Vietnam SR Management Agreement**

Upon completion of the Acquisitions, the Vietnam Property will be managed and operated by AIMVCL, a wholly-owned subsidiary of TAL. Somerset Central TD Company Limited will enter into the Vietnam SR Management Agreement with AIMVCL in relation to the Vietnam Property, pursuant to which AIMVCL will be engaged as the manager of the Vietnam Property to operate, manage, promote, market and maintain the Vietnam Property for and on behalf of Somerset Central TD Company Limited during the term of the Vietnam SR Management Agreement.

**(b) The Amended Pre-Existing Asset Management Agreement**

The Pre-Existing Asset Management Agreement was entered into between CJKK, a wholly-owned subsidiary of CapitaLand, and the Japan Purchaser prior to the Acquisitions, pursuant to which the Japan Purchaser appointed CJKK as the asset manager for the portfolio of certain properties of the Japan Purchaser in Japan. Upon completion of the Acquisitions, the Pre-Existing Asset Management Agreement will be amended to appoint CJKK as the asset manager for the portfolio of properties of the Japan Purchaser enlarged to include the Japan Properties for the period commencing on the date of completion of the Acquisitions and expiring on 24 December 2030.

**(c) The Pre-Existing Property Management Agreements**

The Pre-Existing Property Management Agreements were entered into between CJKK, a wholly-owned subsidiary of CapitaLand, and DB Trust, as the trustee in respect of the TBI in relation to each of the Japan Properties, prior to the Acquisitions, under which DB Trust appointed CJKK as the master property manager in respect of each of the Japan Properties. Upon completion of the acquisition of the Japan Properties, CJKK will continue to be the property manager in respect of each of the Japan Properties under the Pre-Existing Property Management Agreements, which will continue to subsist following the completion of the Acquisitions.

(See paragraph 3.11 below for further details.)

**2.2 Interested Person Transactions and Interested Party Transactions**

The IPT Transactions constitute Interested Person Transactions under Chapter 9 of the Listing Manual and/or Interested Party Transactions under Paragraph 5 of the Property Funds Appendix. Accordingly, the Managers are seeking Stapled Securityholders' approval for the IPT Transactions.

### 3. THE ACQUISITIONS

#### 3.1 The Acquisitions

Following negotiations between the Ascott Reit Manager and the Vendors, the Sale and Purchase Agreements (on the terms set out in paragraphs 3.5 and 3.6 below, including, *inter alia*, the conditions in paragraph 3.6(g)) have been entered into by the relevant parties set out in paragraph 2.1.1 above. The following table shows, among other things, brief details relating to each Property:

Property	Vendor	Property	Entities in which Shares are to be Acquired	Date of Signing of Agreements	Type of Contract	Effective Interest to be Held by ART in the Property
France Property	Ascott Holdings (Europe) N.V. <sup>(1)</sup>	La Clef Tour Eiffel	Ascott Holdings (France) SAS <sup>(2)</sup> and Ascott Kleber SNC <sup>(3)</sup>	15 August 2022	Conditional sale and purchase agreement	100.0%
Japan Properties	ARC-CapitaLand Two TMK <sup>(4)</sup>	Marunouchi Central Heights	–	15 August 2022	Conditional sale and purchase agreement	100.0%
		House Saison Shijo-Dori	–			100.0%
		S-Residence Shukugawa	–			100.0%
		S-Residence Namba Viale	–			100.0%
		S-Residence Gakuenzaka	–			100.0%
Vietnam Property	Vibrant Coral Overseas Inc.	Somerset Central TD Hai Phong City	Somerset Central TD Company Limited <sup>(5)</sup>	15 August 2022	Conditional sale and purchase agreement	100.0%
US Property	TAHL PBSA Venture Pte. Ltd.	Standard at Columbia	Columbia PBSA Venture Pte. Ltd. <sup>(6)</sup>	15 August 2022	Conditional sale and purchase agreement	90.0% (after the acquisition of an additional 45.0% effective interest in the US Property)
Australia Property	Balsamine (Brisbane) Pty Ltd	Quest Cannon Hill	–	15 August 2022	Conditional sale and purchase agreement	100.0%

**Notes:**

- (1) Ascott Holdings (Europe) N.V. holds (a) a direct 100.0% interest in Ascott Holdings (France) SAS, and (b) a direct 0.01% interest in Ascott Kleber SNC.
- (2) Ascott Holdings (France) SAS holds an indirect 99.99% interest in the France Property through its subsidiary, Ascott Kleber SNC.
- (3) Ascott Kleber SNC holds a direct 100.0% interest in the France Property.
- (4) ARC-CapitaLand Two TMK (the Japan Vendor) holds 100.0% of the TBI in respect of each of the Japan Properties. CapitaLand holds an 88.9% interest in ARC-CapitaLand Two TMK through CRL Investment Pte. Ltd., a wholly-owned subsidiary of CapitaLand. The remaining 11.1% interest in ARC-CapitaLand Two TMK is held by an unrelated third party.
- (5) Somerset Central TD Company Limited holds a direct 100.0% interest in the Vietnam Property.
- (6) Columbia PBSA Venture Pte. Ltd. owns a 100.0% interest in Columbia Student Venture REIT LLC, which in turn owns a 90.0% interest in Columbia Student Venture, LLC, which in turn owns a 100.0% interest in Columbia Student Property Owner, LLC, which in turn owns a 100.0% interest in the US Property.

## **3.2 Description of the Properties**

### **3.2.1 The France Property**

The freehold France Property is located in the heart of Paris, one of the most visited cities in the world. It is a well-located luxury serviced residence within a 5-to-10-minute drive from high profile tourist districts including the Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs-Élysées. It is conveniently located within a 2-minute walk from the nearest Metro Station, Trocadéro and a 25-minute drive away from the international airport, Paris-Charles De Gaulle Airport.

The France Property comprises 112 units ranging from Classic Rooms (30 sq m), Deluxe One-Bedroom Apartments (41 sq m), Deluxe Two-Bedroom Apartments (60 sq m) and the Eiffel Tower Suite (108 sq m). The average room size is approximately 37 sq m. All apartment units are fully equipped with modern amenities including HD TV and complimentary WiFi. Facilities include a restaurant and a gym.

After and subject to completion of the Acquisitions, pursuant to the France Master Lease, both the France Master Lessee and Ascott Kleber SNC will carry out asset enhancement works (the “**Asset Enhancement Initiative**”) to refresh the France Property, which was last renovated in 2014, and shall each bear approximately 84% and 16% respectively of the Asset Enhancement Initiative expenditure. Targeted to complete by end-2024, the Asset Enhancement Initiative will encompass replacement of fixtures, furniture and equipment in the bedrooms as well as the bathrooms, and the refurbishment of the lobby and lounge area. Post refurbishment, the France Property will reinforce its upmarket positioning and command a higher room rate. This will in turn enhance the rent sustainability of the France Property.

### **3.2.2 The Japan Properties**

#### **(a) The Marunouchi Property**

The freehold Marunouchi Property is within walking distance to Nagoya’s central business district, Naka Ward. It is also within a 10-minute drive from attractions including the Nagoya Castle, Hisaya Odori Park and Nagoya City Science Museum. The Marunouchi Property is connected to major subway stations, Marunouchi Station and Hisaya Odori Station, and shopping districts including Sakae and around Nagoya Station.



The Marunouchi Property comprises 30 residential units ranging from 1-bedroom (40 sq m) to 3-bedroom (100 sq m) apartments and 1 retail unit. The apartments, which come with spacious work and living areas and complimentary internet access, enjoy high demand from corporate guests.

**(b) The House Saison Property**

The freehold House Saison Property is located in Shimogyo Ward and within walking distance to the prime office and retail belt of Kyoto city, Shijo Karasuma. High profile tourist attractions including Nishiki Market, Shinkyogoku Shopping Street Union and the Kyoto Imperial Palace are within a 10-minute drive from the House Saison Property.

The House Saison Property is also highly accessible with 2 subway stations, the Shijo Subway Station and Kyoto Station, located within a 10-minute walk from the property. The House Saison Property has 190 studio units, which come with separate kitchenettes, ranging from 24 sq m to 48 sq m and 1 retail unit. Due to its proximity to the office belt in Kyoto, there is a high demand for rental apartments in the area by corporate guests.

**(c) The S-Residence Shukugawa Property**

The freehold S-Residence Shukugawa Property is located in Shukugawa, Hyogo, which is a residential district that is highly sought-after by those working in Osaka and Kobe. Umeda and Sannomiya, the central business districts of Osaka and Kobe respectively, are a 30-minute drive away. The S-Residence Shukugawa Property provides convenience to families with its proximity to numerous schools and to the nearest train station, which is a 6-minute walk away.

The S-Residence Shukugawa Property consists of 33 residential units, comprising 2-bedroom and 3-bedroom units catering to couples and families.

**(d) The S-Residence Namba Viale Property and the S-Residence Gakuenzaka Property**

Located in central Osaka, the freehold S-Residence Namba Viale Property and the freehold S-Residence Gakuenzaka Property are close to the major central business district and popular tourist shopping districts of Dotonbori and Shinsaibashi. The S-Residence Namba Viale Property and the S-Residence Gakuenzaka Property are also highly accessible as they are within a 7-minute walk to the nearest train station and 40-minute drive to the Kansai International Airport.

The S-Residence Namba Viale Property consists of 116 apartment units, which comprise studio (25 sq m to 31 sq m) and 1-bedroom (40 sq m) apartments catering to single tenants.

The S-Residence Gakuenzaka Property consists of 58 1-bedroom apartment units (41 sq m to 47 sq m) catering to small groups of corporate guests.

### **3.2.3 The Vietnam Property**

The Vietnam Property is a serviced residence located in the growth city of Hai Phong. Hai Phong is the third largest city and one of the largest industrial hubs and ports of Vietnam. A 10-minute drive from the Cat Bi International Airport and 15-minute drive from 3 industrial parks – Deep C, Dinh Vu and South Dinh Vu Industrial Zone, the Vietnam Property is well-positioned to capture the demand arising from foreign direct investment and business activities in the city. With a multitude of international schools, shopping malls and hospital facilities encircling the residence, it also offers the most ideal location for long-staying guests.

The Vietnam Property consists of 132 units, which comprise studio units (45 sq m) and 1-bedroom to 3-bedroom apartments (75 sq m to 110 sq m) furnished with kitchenettes and complimentary WiFi. The average apartment size is approximately 90 sq m. Facilities include a restaurant, gym, resident's lounge and the swimming pool. It is also part of a newly-renovated 15,000 sq m integrated development which features retail and commercial components, including premium F&B and fitness and wellness amenities.

### **3.2.4 The US Property**

The US Property is a freehold purpose-built student accommodation which will serve over 35,000 students from the nearby University of South Carolina, the largest university in the state. The University of South Carolina's athletics programme competes in the Southeastern Conference, one of the "Power 5" athletic conferences in the National Collegiate Athletic Association. Construction of the student accommodation asset is scheduled to complete in 2Q 2023.

Situated in a prime location in downtown Columbia and walking proximity to the University of South Carolina, the property will offer 679 beds across 247 units<sup>41</sup> and is close to a plethora of food and entertainment options. It will provide fully furnished studios as well as 1-bedroom to 5-bedroom units. Each unit comes with a fully equipped shared kitchen, as well as appliances such as a washer and dryer. Community amenities include a fitness centre, study lounges, a coffee bar, and jumbotron television on an elevated amenity deck with swimming pool and cabanas.

### **3.2.5 The Australia Property**

The Australia Property is strategically positioned in the emerging suburb of Cannon Hill and located within a 5-minute walk to the Cannon Hill train station with direct access to the Brisbane CBD. The Australia Property is located within a retail and commercial precinct, and is a 5-minute walk to Southgate Business Park. It is also a 10-minute drive to the Metroplex on Gateway Estate and Port of Brisbane industrial areas.

The Australia Property is less than 5 years of age and consists of 100 units, which comprise 50 studio units (25 sq m), 41 1-bedroom apartment units (40 sq m) and 9 2-bedroom apartment units (58 sq m). Facilities include a meeting room, gymnasium, pool, and barbecue area. The Australia Property is currently operated by Quest Apartment Hotels, a member of The Ascott Limited and the largest apartment hotel brand in Australasia with more than 170 properties.

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41 The number of beds and units are subject to change as the property is under development.

### 3.3 Key Information relating to the Properties

The following table shows certain key information relating to the Properties:

No	Property Name	Address	Management Company	Master Lessee	Units	Gross Floor Area (sq m)	Year of Opening	Title	Appraised Value <sup>42</sup>	Estimated Total Capitalised Costs Excluding Cost to Complete <sup>43</sup>	Estimated Total Capitalised Costs <sup>44</sup>
1.	La Cief Tour Eiffel	Paris (75016) 83-85 avenue Kléber/11bis and 13 rue Magdebourg, France	N.A.	Citadines Arc de Triomphe Operating SAS	112	10,186	1986	Freehold	€103.7 million (equivalent to S\$150.4 million)	€104.3 million (equivalent to S\$151.3 million)	€104.3 million (equivalent to S\$151.3 million)
2.	Marunouchi Central Heights	2305, Marunouchi 3-chome, Naka-ku, Nagoya-shi, Japan	CJKK	N.A.	30	2,310	2005	Freehold	¥739.0 million (equivalent to S\$8.0 million)	¥719.3 million (equivalent to S\$7.8 million)	¥719.3 million (equivalent to S\$7.8 million)
3.	House Saison Shijo-Dori	47-3, 47, 47-2, 47-4, 47-5, 47-6, 47-7, 49, Kasaboko-cho, Shijo-dori Aburanokoji Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan 532-2, 532-3, 534, 536-2, 538-2, Ishizutsu-cho, Aburanokoji-dori Shijo-kudaru, Shimogyo-ku, Kyoto-shi, Japan	CJKK	N.A.	190	6,723	2006	Freehold	¥2,860.0 million (equivalent to S\$30.8 million)	¥2,810.8 million (equivalent to S\$30.3 million)	¥2,810.8 million (equivalent to S\$30.3 million)

<sup>42</sup> In respect of the US Property, the average of the valuations by JLL and CBRE as Independent Valuers. In respect of the Japan Properties, the average of the valuations by Japan Valuers and CBRE as Independent Valuers. In respect of the Properties (other than the US Property and the Japan Properties), the average of the valuations by HVS and CBRE as Independent Valuers.

<sup>43</sup> Includes stamp duty and consumption taxes in connection with the France Acquisition, the Japan Acquisition and the Australia Acquisition of approximately S\$6.9 million, legal and other professional fees (including technical due diligence, valuation, independent financial adviser, auditors' and tax advisers' fees) of approximately S\$1.9 million, acquisition fees of approximately S\$3.0 million and other expenses (including printing and EGM expenses) of approximately S\$0.9 million, but excludes outstanding development cost and interest expense to be incurred for Standard at Columbia.

<sup>44</sup> Includes outstanding development cost and interest expense to be incurred for Standard at Columbia.

No	Property Name	Address	Management Company	Master Lessee	Units	Gross Floor Area (sq m)	Year of Opening	Title	Appraised Value <sup>42</sup>	Estimated Total Capitalised Costs Excluding Cost to Complete <sup>43</sup>	Estimated Total Capitalised Costs <sup>44</sup>
4.	S-Residence Shukugawa	36-1, Kamizono-cho, Nishinomiya-shi, Japan	CJKK	N.A.	33	3,360	1995	Freehold	¥782.0 million (equivalent to S\$8.4 million)	¥753.4 million (equivalent to S\$8.1 million)	¥753.4 million (equivalent to S\$8.1 million)
5.	S-Residence Namba Viale	9-2, Motomachi 3-chome, Naniwa-ku, Osaka-shi, Japan	CJKK	N.A.	116	4,130	2006	Freehold	¥1,840.0 million (equivalent to S\$19.8 million)	¥1,774.7 million (equivalent to S\$19.1 million)	¥1,774.7 million (equivalent to S\$19.1 million)
6.	S-Residence Gakuenzaka	2-1-1, Naniwa-ku, Osaka-shi, Japan	CJKK	N.A.	58	3,014	2005	Freehold	¥1,275.0 million (equivalent to S\$13.7 million)	¥1,275.1 million (equivalent to S\$13.7 million)	¥1,275.1 million (equivalent to S\$13.7 million)
7.	Somerset Central TD Hai Phong City	Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam	AIMVCL	N.A.	132	14,500	2016	Leasehold of 64 years, ending on November 2075	VND401.5 billion (equivalent to S\$24.1 million)	VND391.1 billion (equivalent to S\$23.5 million)	VND391.1 billion (equivalent to S\$23.5 million)
8.	Standard at Columbia	1401 Assembly Street, Columbia, South Carolina 29201, United States of America	Landmark Venture Management, LLC	N.A.	247	42,135	Expected to open in 2023	Freehold	US\$29.7 million (equivalent to S\$41.4 million) <sup>45</sup>	US\$25.0 million (equivalent to S\$34.8 million) <sup>46</sup>	US\$50.8 million (equivalent to S\$70.8 million)
9.	Quest Cannon Hill	930 Wynnum Road, Cannon Hill, Brisbane, Queensland 4170, Australia	N.A.	Quest Cannon Hill Tenancy Pty Ltd	100	6,924	2018	Freehold	AUD29.7 million (equivalent to S\$28.7 million)	AUD30.7 million (equivalent to S\$29.7 million)	AUD30.7 million (equivalent to S\$29.7 million)
<b>Total</b>					1,018	93,282			S\$325.3 million	S\$318.3 million <sup>47</sup>	S\$354.3 million

<sup>45</sup> On a 45.0% basis (being the US Vendor's effective interest in the US Property). The Appraised Value on a 100.0% basis is US\$66.1 million (equivalent to S\$92.0 million).

<sup>46</sup> Estimated Total Capitalised Costs excluding outstanding development cost and interest expense to be incurred, which amounts to US\$25.0 million.

<sup>47</sup> The estimated total capitalised costs of S\$318.3 million is 2.2% lower than the total Appraised Value of S\$325.3 million.

### 3.4 Valuation of the Properties

The agreed property value of the Properties was arrived at on a willing-buyer and willing-seller basis, taking into account: (a) in respect of the US Property, the 2 independent valuations by JLL and CBRE; (b) in respect of the Japan Properties, the 2 independent valuations by Japan Valuers and CBRE; and (c) in respect of the Properties (other than the US Property and the Japan Properties), the 2 independent valuations of each Property by HVS and CBRE, in each case, as at 30 June 2022. Each of the valuations were derived using the discounted cash flow analysis and/or direct capitalisation method, as appropriate.

(See **Appendix B** of this Circular for the Summary Valuation Certificates issued by JLL and CBRE as the Independent Valuers in relation to the US Property, and the Summary Valuation Certificates issued by HVS Singapore and CBRE as the Independent Valuers in relation to the Properties (other than the US Property).)

### 3.5 Structure of the Acquisitions

#### 3.5.1 The France Acquisition

A 100.0% interest in the France Property is owned directly by Ascott Kleber SNC. The France Vendor currently has:

- (a) a 99.99% indirect interest in the France Property through its wholly-owned subsidiary, Ascott Holdings (France) SAS, which has a 99.99% interest in Ascott Kleber SNC; and
- (b) a 0.01% interest in Ascott Kleber SNC.

ART is proposing to acquire 100.0% effective interest in the France Property through the acquisition by the France Purchaser from the France Vendor of:

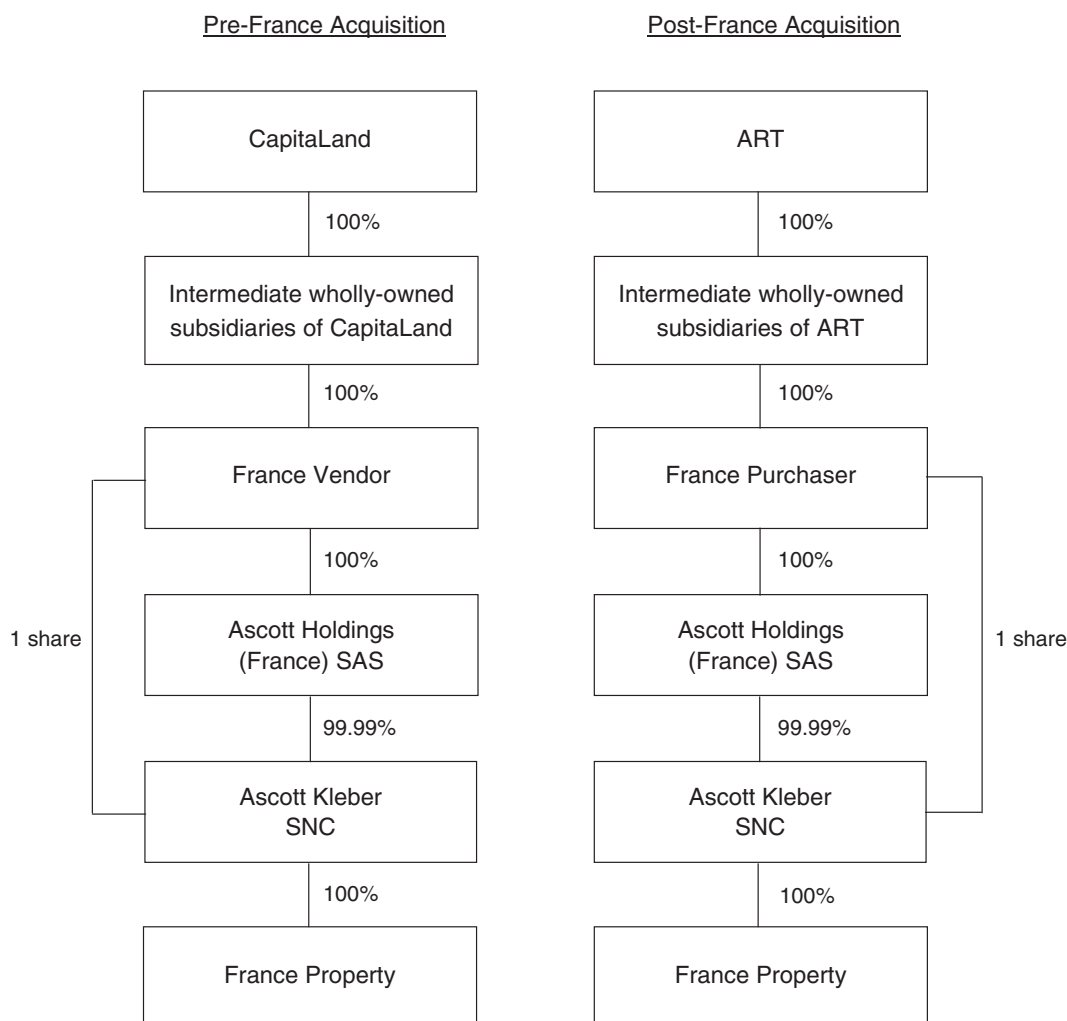
- (i) 100.0% issued shares in Ascott Holdings (France) SAS; and
- (ii) 0.01% issued shares in Ascott Kleber SNC,

for a purchase consideration of €49.4<sup>48</sup> million (equivalent to approximately S\$71.7 million).

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48 This figure is arrived at by deducting the amount of the France Loan assigned to the Trustee by Ascott Holdings (Europe) Pte. Ltd. under the France Loan Amendment and Restatement Agreement (see paragraph 3.5.1 of the Letter to Stapled Securityholders for further details), being €49.5 million (equivalent to approximately S\$71.8 million), from the amount stated in paragraph 3.6(a)(i). Such amount is deducted in determining the purchase consideration payable to the France Vendor for the France Acquisition as the Trustee will be stepping in as borrower upon completion of the France Acquisition to assume the obligations under the France Loan granted by Oversea-Chinese Banking Corporation, Limited (which is not a loan taken by Ascott Holdings (France) SAS or Ascott Kleber SNC) as part of the France Acquisition.

A diagrammatic illustration of the France Acquisition is as follows:



### France Excluded Units

The France Property will exclude the France Excluded Units as Ascott Kleber SNC is in the process of disposing the France Excluded Units to a third party buyer (the **"Proposed Disposal"**).

In respect of the France Excluded Units:

- (A) in the event that the Proposed Disposal is not completed in full prior to completion of the France Acquisition:
- (1) Ascott Kleber SNC will hold the France Excluded Units (that have not been disposed) to the order and for the benefit of the France Vendor, and in this connection, Ascott Kleber SNC shall be required to act solely on the instructions of the France Vendor in respect of such France Excluded Units (including the Proposed Disposal), provided that Ascott Kleber SNC shall not be required to do or omit to do any act or thing that is in contravention of any laws or regulations applicable to it or ART, or would in any manner whatsoever prejudice the good name or goodwill of ART; and



- (2) the France Vendor shall continue to be entitled to receive all proceeds (including sale and rental proceeds), and to bear all claims, losses, costs, expense, debt and liabilities, in respect of the France Excluded Units post-completion, and the France Purchaser shall pay, or cause to be paid, over to the France Vendor any proceeds in respect of the France Excluded Units, net of expenses and taxes; and
- (B) the France Vendor shall indemnify the France Purchaser and Ascott Kleber SNC against any claim, action, proceeding, demand, damage, loss, liability, cost, expense, fine, penalty, or outgoing, taxes (including insurance premiums, service charges and costs not rechargeable to the tenant, corporate income tax payment of decrease of the tax loss carried forward, withholding tax, transfer tax, property tax and stamp duty and other taxes (if any)) which the France Purchaser and Ascott Kleber SNC may incur or suffer in connection with the France Excluded Units, the Proposed Disposal (or any part thereof), any damage of or repair to the France Excluded Units and/or any action undertaken in connection with paragraph 3.5.1(A) (including but not limited to any claims that Ascott Kleber SNC may be subject to under the sale and purchase agreement with the third party buyer in respect of the Proposed Disposal (or any part thereof)). The indemnity shall apply in perpetuity for so long as such claims, proceedings, demands or sanctions of any nature are not barred by any applicable statutory limitation period,
- (collectively, the “**France Excluded Units Arrangement**”).

#### **France Rent Guarantee**

In addition, in accordance with the terms of the France Acquisition, the France Master Lessee will provide a rent guarantee (the “**France Rent Guarantee**”) of up to €242,000 per annum (the “**Annual Rent Guarantee Amount**”) in relation to the Restaurant Unit commencing on the date of completion of the Acquisitions and ending on 31 December 2025.

#### **France Loan Assignment Documents**

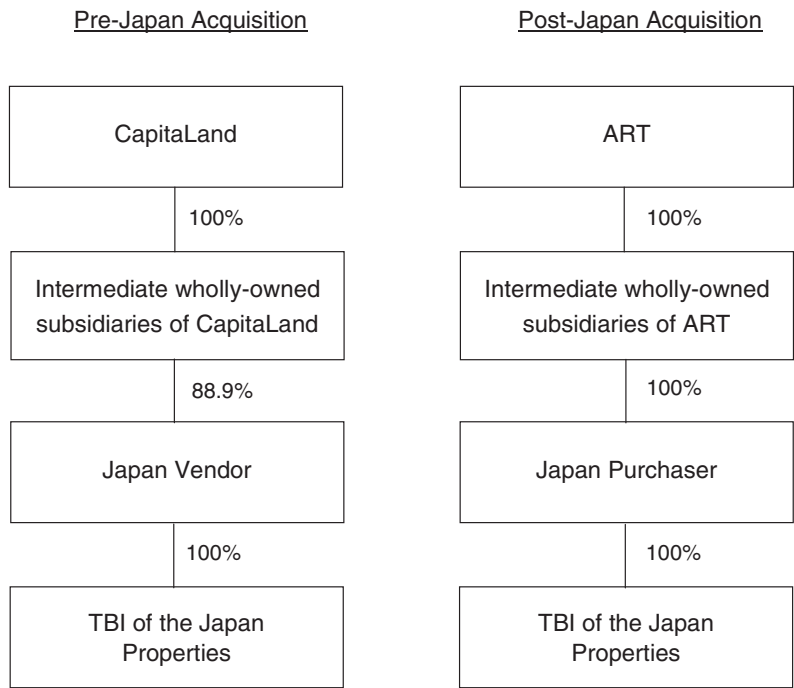
Pursuant to the facility agreement dated 23 November 2021 entered into between Oversea-Chinese Banking Corporation, Limited, as lender, Ascott Holdings (Europe) Pte. Ltd., as borrower, and TAHL, as guarantor, Oversea-Chinese Banking Corporation, Limited granted the France Loan to Ascott Holdings (Europe) Pte. Ltd.. Further, in connection with the France Loan, Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd entered into the France IRS. In connection with, and on completion of, the France Acquisition, the Trustee shall enter into (A) the France Loan Amendment and Restatement Agreement with Ascott Holdings (Europe) Pte. Ltd., Oversea-Chinese Banking Corporation, Limited and TAHL to provide for, *inter alia*, the accession of the Trustee, as incoming borrower, and the discharge of (1) Ascott Holdings (Europe) Pte. Ltd., as outgoing borrower, and (2) TAHL, as outgoing guarantor, on the terms and subject to the conditions of the France Loan Amendment and Restatement Agreement; and (B) the France Loan IRS Novation Agreement.

**3.5.2 The Japan Acquisition**

The Japan Vendor holds 100.0% of the TBI in respect of each of the Japan Properties.

ART is proposing to acquire the TBI in respect of each of the Japan Properties through the acquisition by the Japan Purchaser from the Japan Vendor of 100.0% of the TBI in respect of each of the Japan Properties for a purchase consideration of ¥7.035 billion (equivalent to approximately S\$75.8 million).

A diagrammatic illustration of the Japan Acquisition is as follows:

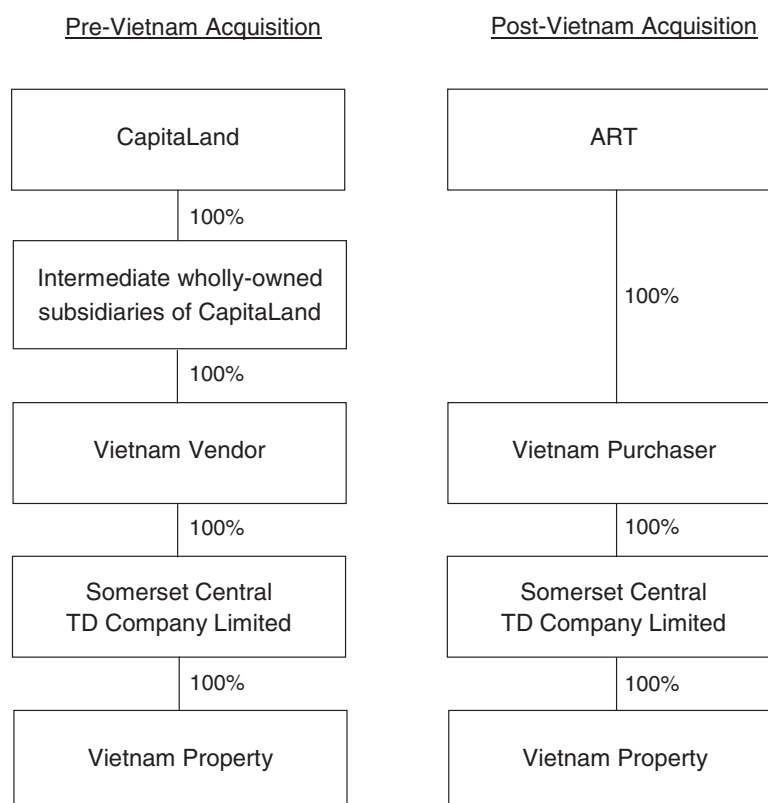


**3.5.3 The Vietnam Acquisition**

A 100.0% interest in the Vietnam Property is owned directly by Somerset Central TD Company Limited.

ART is proposing to acquire 100.0% effective interest in the Vietnam Property through the acquisition by the Vietnam Purchaser from the Vietnam Vendor of 100.0% issued shares in Somerset Central TD Company Limited for a purchase consideration of VND208.2 billion (equivalent to approximately S\$12.5 million).

A diagrammatic illustration of the Vietnam Acquisition is as follows:



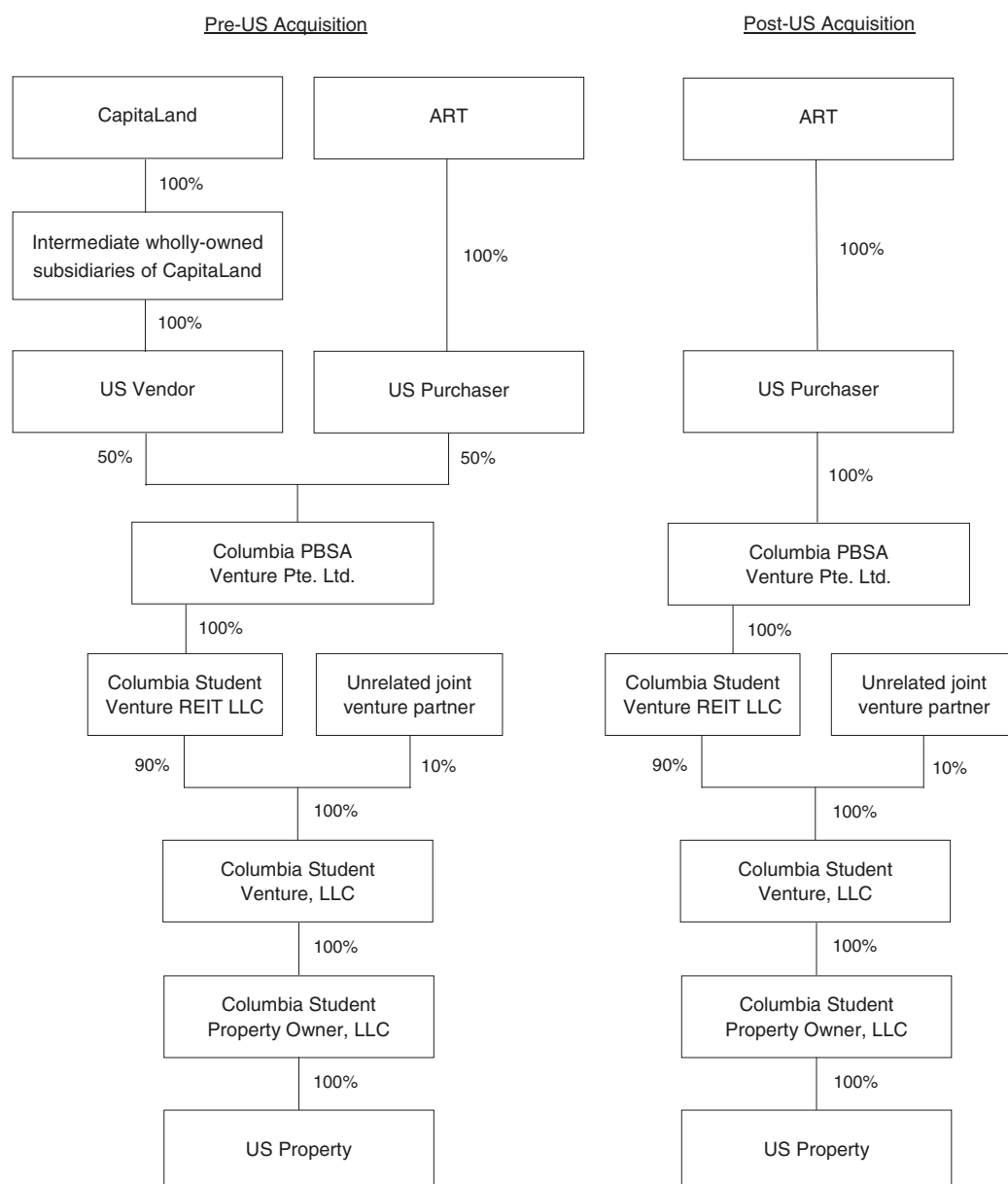
Further, TAHL (which owns a 100.0% indirect interest in the Vietnam Vendor) had, in connection with loans which had been extended by Bangkok Bank Public Company Limited, Singapore Branch to Somerset Central TD Company Limited pursuant to (A) the facility agreement dated 29 November 2012 between Bangkok Bank Public Company Limited, Singapore Branch, as lender, and Somerset Central TD Company Limited, as borrower, for a US\$13.0 million facility (as amended and/or restated by the letter agreement dated 19 September 2013 and the amendment and restatement agreement dated 18 January 2016, and as further amended and restated by the amendment and restatement deed dated 15 July 2019 and the amendment and restatement deed dated 29 January 2021) with an outstanding principal amount of US\$6.0 million as at 10 February 2022, and (B) the facility agreement dated 18 January 2016 between the same parties for a US\$1.5 million facility (as amended and restated by the amendment and restatement deed dated 15 July 2019, and as further amended and restated by the amendment and restatement deed dated 29 January 2021) (the “**Vietnam Facility Agreements**”), provided the guarantee dated 18 January 2016 (as amended and restated by the amendment and restatement deed dated 15 July 2019 and further amended and restated by the amendment and restatement deed dated 29 January 2021) to guarantee the obligations of Somerset Central TD Company Limited under the Vietnam Facility Agreements (the “**Vietnam Vendor Guarantee**”) in favour of Bangkok Bank Public Company Limited, Singapore Branch. On completion of the Vietnam Acquisition, the Trustee shall provide a guarantee (the “**Vietnam Guarantee**”) in the amount of US\$7.5 million (equivalent to approximately S\$10.4 million) in favour of Bangkok Bank Public Company Limited, Singapore Branch in replacement of the Vietnam Vendor Guarantee.

### 3.5.4 The US Acquisition

A 100.0% interest in the US Property is owned directly by Columbia Student Property Owner, LLC, which is a wholly-owned subsidiary of Columbia Student Venture, LLC. Columbia Student Venture REIT LLC (which is in turn wholly-owned by Columbia PBSA Venture Pte. Ltd.) has a 90.0% interest in Columbia Student Venture, LLC. Columbia PBSA Venture Pte. Ltd. is a joint venture entity between wholly-owned subsidiaries of each of TAHL and Ascott Reit. Each of the US Vendor and the US Purchaser has a 50.0% interest in Columbia PBSA Venture Pte. Ltd. respectively.

ART is proposing to acquire an additional 45.0% effective interest in the US Property through the acquisition by the US Purchaser from the US Vendor of 50.0% of the issued shares in Columbia PBSA Venture Pte. Ltd. held by the US Vendor, for a purchase consideration of US\$19.9 million (equivalent to approximately S\$27.7 million).

A diagrammatic illustration of the US Acquisition is as follows:

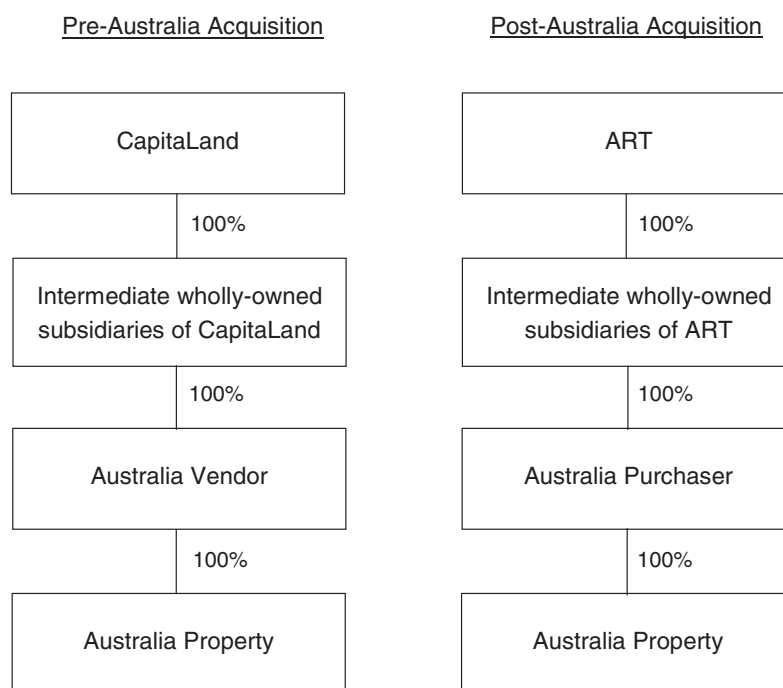


### 3.5.5 The Australia Acquisition

A 100.0% interest in the Australia Property is owned directly by the Australia Vendor.

ART is proposing to acquire the Australia Property through the acquisition by the Australia Purchaser from the Australia Vendor of the Australia Property for a purchase consideration of AUD28.5 million (equivalent to approximately S\$27.5 million).

A diagrammatic illustration of the Australia Acquisition is as follows:



### 3.6 Principal Terms of the Sale and Purchase Agreements

The principal terms of the Sale and Purchase Agreements include, among others, the following:

- (a) the purchase consideration for the France Acquisition of €49.4 million<sup>49</sup> (equivalent to approximately S\$71.7 million) is based on:
  - (i) in respect of the shares consideration, the consolidated net asset value of Ascott Holdings (France) SAS and Ascott Kleber SNC (excluding the book value of the France Excluded Units) of €22.0 million (equivalent to approximately S\$31.9 million) as at 31 March 2022 which takes into account the agreed property value of the France Property of €100.3 million (equivalent to S\$145.4 million); and

<sup>49</sup> This figure is arrived at by deducting the amount of the France Loan assigned to the Trustee by Ascott Holdings (Europe) Pte. Ltd. Under the France Loan Amendment and Restatement Agreement (see paragraph 3.5.1 for further details), being €49.5 million (equivalent to approximately S\$71.8 million), from the amount stated in paragraph 3.6(a)(i). Such amount is deducted in determining the purchase consideration payable to the France Vendor for the France Acquisition as the Trustee will be stepping in as borrower upon completion of the France Acquisition to assume the obligations under the France Loan granted by Oversea-Chinese Banking Corporation, Limited (which is not a loan taken by Ascott Holdings (France) SAS or Ascott Kleber SNC) as part of the France Acquisition.

- (ii) in respect of the loan consideration, the assignment to the France Purchaser of the France Shareholder's Loans held by the France Vendor of €76.9 million (equivalent to approximately S\$111.6 million) as at 31 March 2022;
- (b) the purchase consideration for the Japan Acquisition of ¥7.035 billion (equivalent to approximately S\$75.8 million) is based on the total agreed property value of the Japan Properties of ¥7.035 billion (equivalent to approximately S\$75.8 million);
- (c) the purchase consideration for the Vietnam Acquisition of VND208.2 billion (equivalent to approximately S\$12.5 million) is based on:
  - (i) in respect of the shares consideration, the consolidated net asset value of Somerset Central TD Company Limited of VND64.9 billion (equivalent to approximately S\$3.9 million) as at 31 March 2022 which takes into account the agreed property value of the Vietnam Property of VND380.0 billion (equivalent to approximately S\$22.8 million); and
  - (ii) in respect of the loan consideration, the assignment to the Vietnam Purchaser of the Vietnam Shareholder's Loans held by the Vietnam Vendor of US\$6.2 million (equivalent to approximately S\$8.6 million) as at 31 March 2022;
- (d) the purchase consideration for the US Acquisition of US\$19.9 million (equivalent to approximately S\$27.7 million) is based on:
  - (i) in respect of the shares consideration, the consolidated net asset value of Columbia PBSA Venture Pte. Ltd. as at 31 March 2022 on a *pro forma* basis which is attributable to the US Vendor's 50.0% shareholding proportion, being US\$4.5 million (equivalent to approximately S\$6.2 million)<sup>50</sup>. This figure takes into account, *inter alia*, 45.0% (being the US Vendor's effective interest in the US Property) of the agreed property value of the US Property of US\$54.4 million on a 100.0% basis (equivalent to approximately S\$75.8 million); and
  - (ii) in respect of the loan consideration, the assignment to the US Purchaser of the US Shareholder's Loans held by the US Vendor of which US\$15.4 million (equivalent to S\$21.5 million) in aggregate remains outstanding as at 30 June 2022;
- (e) the purchase consideration for the Australia Acquisition of AUD28.5 million (equivalent to approximately S\$27.5 million) is based on the agreed property value of the Australia Property of AUD28.5 million (equivalent to approximately S\$27.5 million);
- (f) with respect to the Japan Acquisition, the Vietnam Acquisition, the US Acquisition and the Australia Acquisition, the Aggregate Purchase Consideration shall be fully satisfied in cash, at completion. With respect to the France Acquisition, payment of a sum of €20.0 million (equivalent to approximately S\$29.0 million) will be deferred and paid when 70.0% of the France Master Lessee's renovation works have been completed in accordance with the terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date) while the balance will be satisfied in cash, at completion. With respect to the France Acquisition, the Vietnam Acquisition and the US Acquisition, consideration shall be adjusted for (i) the consolidated net asset value of (in the case of the France Acquisition) Ascott Holdings (France) SAS and Ascott Kleber SNC (excluding the France Excluded Units), (in the case of the Vietnam

<sup>50</sup> On a *pro forma* basis.



Acquisition) Somerset Central TD Company Limited and (in the case of the US Acquisition) Columbia PBSA Venture Pte. Ltd., and (ii) the total amount outstanding under the Shareholder's Loans, each as at completion;

- (g) completion of the Acquisitions is subject to and conditional upon, among others:
- (i) the receipt (A) by the relevant purchaser under each of the Sale and Purchase Agreements of such waivers or consents as may be necessary to enable it and/or its nominee(s) to be registered as holder of the shares in Ascott Holdings (France) SAS, Ascott Kleber SNC, Somerset Central TD Company Limited and Columbia PBSA Venture Pte. Ltd., and holder of the TBI in respect of each of the Japan Properties, and (B) by the relevant purchaser of all consents and/or waivers necessary for or required in connection with the Acquisitions (including without limitation, approvals and/or consents from Oversea-Chinese Banking Corporation, Limited and Bangkok Bank Public Company Limited, Singapore Branch in respect of the France Loan Assignment Documents and the Vietnam Guarantee respectively);
  - (ii) the approval of Stapled Securityholders of the IPT Transactions;
  - (iii) there being no compulsory acquisition of any of the Properties (or any part of the properties or the buildings comprised therein), and no notice of such intended compulsory acquisition having been given, by the government or other competent authority;
  - (iv) in respect of the Australia Acquisition, the Treasurer of the Commonwealth of Australia (or their delegate) (A) giving a written no objection notification under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (the "**FIRB Act**") either without conditions or with conditions acceptable to the Australia Purchaser (acting reasonably); or (B) ceasing to be empowered to make any order under Part 3 of the FIRB Act because the applicable time limit on making orders and decisions under the FIRB Act has expired; and
  - (v) in respect of the Vietnam Acquisition, clearance of the acquisition being obtained from the National Competition Council under the Ministry of Industry and Trade of Vietnam pursuant to the Competition Law Decree 35/2020//NĐ-CP;
- (h) the Vendors have provided representations and warranties in respect of the Properties and the shares in entities to be acquired with certain limitations on the liability of the Vendors in respect of breaches of certain warranties, including provisions for an aggregate maximum liability, minimum thresholds for claims and limitation periods;
- (i) completion under each of the Sale and Purchase Agreements shall not occur unless all the Sale and Purchase Agreements are completed simultaneously;
- (j) TAL shall enter into a deed of guarantee to guarantee to and covenant with the relevant purchaser to pay the relevant purchaser such sums that the relevant Vendor has failed to pay in accordance with the terms of the Sale and Purchase Agreement for any breach of such Vendor's covenants and obligations under the France SPA, the Vietnam SPA, the US SPA and the Australia SPA<sup>51</sup>;

51 TAHL holds a 100.0% interest in each of the France Vendor, the Vietnam Vendor, the US Vendor and the Australia Vendor. No guarantee will be provided in relation to the Japan SPA as the Japan Vendor is not a wholly-owned subsidiary of TAHL. Please see paragraph 4.2 below for further details.

- (k) the Trustee shall provide the Vietnam Guarantee in the amount of US\$7.5 million (equivalent to approximately S\$10.4 million) in favour of Bangkok Bank Public Company Limited, Singapore Branch on completion of the Vietnam SPA in connection with the loans which had been extended by Bangkok Bank Public Company Limited, Singapore Branch to Somerset Central TD Company Limited under the Vietnam Facility Agreements;
- (l) the Trustee shall, on completion of the France SPA, enter into (i) the France Loan Amendment and Restatement Agreement in connection with the loans which had been extended by Oversea-Chinese Banking Corporation, Limited to Ascott Holdings (Europe) Pte. Ltd. under the France Loan; and (ii) the France Loan IRS Novation Agreement in connection with the novation of the rights and obligations under the France IRS from The Ascott Capital Pte Ltd to the Trustee;
- (m) in respect of the France Excluded Units, in the event that the Proposed Disposal is not completed prior to completion of the France Acquisition, the France Excluded Units Arrangement shall apply; and
- (n) in respect of the Restaurant Unit, the France Rent Guarantee shall apply.

### **3.7 Method of Distribution**

ART may receive the income from its investments in the Properties in the form of dividends, interest income and/or the repayment of intercompany loans.

### **3.8 Estimated Total Transaction Costs**

The estimated total transaction costs of the Acquisitions is approximately S\$15.3 million, comprising:

- (a) the estimated fees and expenses of approximately S\$12.3 million<sup>52</sup> incurred or to be incurred by Ascott Reit in connection with the Acquisitions (including professional fees and fund raising costs); and
- (b) the acquisition fees (being 1.0% of the Enterprise Value of S\$304.0 million) of approximately S\$3.0 million. As the Acquisitions will constitute Interested Party Transactions under the Property Funds Appendix, the total acquisition fees payable to the Ascott Reit Manager will be in the form of Stapled Securities<sup>53</sup>, which shall not be sold within 1 year from the date of issuance.

<sup>52</sup> Comprising stamp duty and consumption taxes in connection with the France Acquisition, the Japan Acquisition, the US Acquisition and the Australia Acquisition of approximately S\$6.9 million, legal and other professional fees (including technical due diligence, valuation, independent financial adviser, auditors' and tax advisers' fees) of approximately S\$2.7 million, fees and expenses in connection with the fund raising of approximately S\$1.8 million and other expenses (including printing and EGM expenses) of approximately S\$0.9 million.

<sup>53</sup> The Acquisition Fee Stapled Securities will be issued at an issue price equal to the volume weighted average price for a Stapled Security for all trades on the SGX-ST, in the ordinary course of trading, for the period of 10 Business Days immediately preceding the date of completion of the relevant acquisition pursuant to Clause 5.2.4(i)(b) of the Ascott Reit Trust Deed and Clause 4 of the Stapling Deed.

### 3.9 Method of Financing

ART intends to finance the Aggregate Purchase Consideration<sup>54</sup> and the total costs relating to the Acquisitions with debt and/or the proceeds from a private placement to institutional, accredited and other investors (the “**Private Placement**”), so as to ensure that the Acquisitions will provide overall DPS accretion to Stapled Securityholders while maintaining an optimum level of aggregate leverage. See announcement on “Launch of Private Placement to raise gross proceeds of approximately S\$150.0 million dated 15 August 2022 for details of the Private Placement.

The final decision regarding the financing to be employed for the purposes of financing the Acquisitions will be made by the Managers at the appropriate time taking into account the then prevailing market conditions and interest rate environment, the impact on ART’s capital structure, DPS and debt expiry profile and the covenants and requirements associated with each financing option.

A further breakdown of the costs of the Acquisitions and the current intended sources of funds are as follows:

<b>Costs</b>	<b>(S\$ million)</b>	<b>Sources of funds</b>	<b>(S\$ million)</b>
Aggregate Purchase Consideration <sup>55</sup>	215.2	Proceeds from the Private Placement	122.3
Associated costs <sup>(1)</sup> of the Acquisitions (including applicable stamp duties, legal and other professional fees and expenses)	12.3	Debt	112.2
Development costs and interest costs to be incurred for the US Property	36.0	Funding for France Deferred Payment <sup>(2)</sup>	29.0
<b>Total</b>	<b>263.5</b>	<b>Total</b>	<b>263.5</b>

**Notes:**

- (1) The associated costs of S\$12.3 million comprise stamp duty and consumption taxes in connection with the France Acquisition, the Japan Acquisition, the US Acquisition and the Australia Acquisition of approximately S\$6.9 million, legal and other professional fees (including technical due diligence, valuation, independent financial adviser, auditors’ and tax advisers’ fees) of approximately S\$2.7 million, fees and expenses in connection with the fund raising of approximately S\$1.8 million and other expenses (including printing and EGM expenses) of approximately S\$0.9 million. Excludes acquisition fees of approximately S\$3.0 million, which will be payable in Stapled Securities to the Ascott Reit Manager.
- (2) The financing for the France Deferred Payment will not be made at the same time as the financing for the remaining portion of the Aggregate Purchase Consideration as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee’s renovation works have been completed in accordance with the terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date). This is to align the France Master Lessee’s interest with ART’s such that the renovation will be substantially completed. The Managers will evaluate the various funding options available when the France Deferred Payment is due, and the mode of financing for the France Deferred Payment will be made by the Managers at the appropriate time.

<sup>54</sup> The financing for the France Deferred Payment will not be made at the same time as the financing for the remaining portion of the Aggregate Purchase Consideration as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee’s renovation works have been completed in accordance with terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date). This is to align the France Master Lessee’s interest with ART’s such that the renovation will be substantially completed. The Managers will evaluate the various funding options available when the France Deferred Payment is due, and the mode of financing for the France Deferred Payment will be made by the Managers at the appropriate time.

<sup>55</sup> Excludes the cost of the Asset Enhancement Initiative. Such amount is not included in determining the purchase consideration payable to the France Vendor for the France Acquisition as such cost is not incurred or assumed by ART for the benefit of the France Vendor, and will only be undertaken in line with ART’s plans to refresh the France Property only after and subject to completion of the France Acquisition.

### 3.10 The Master Leases

#### (a) The France Master Lease

Upon completion of the Acquisitions, Ascott Kleber SNC shall enter into the France Master Lease with the France Master Lessee, a wholly-owned subsidiary of TAL, pursuant to which Ascott Kleber SNC shall grant the France Master Lease to the France Master Lessee for a term of 10 years, commencing from the date of completion of the Acquisitions.

Upon entry into the France Master Lease, TAL will enter into a guarantee in favour of the Trustee under which TAL guarantees the payment of rent and other charges, fees and amounts under the France Master Lease during the lease term.

The rental payable under the France Master Lease is as follows:

- (i) the France Fixed Lease Rental is €3.45 million per annum. The France Fixed Lease Rental will be indexed automatically and without any prior notice based on the variation of the French Commercial Rent Index published quarterly by the Institut national de la statistique et des études économiques and automatically increased or decreased accordingly every year on the anniversary of the effective date of the France Master Lease;
- (ii) the France Fixed Lease Rental is subject to a lease cap mechanism, where the lease cap amount is set at €5.175 million ("**Lease Cap Amount**"). The France Fixed Lease Rental (subject to indexation) is compared against 32.0% of the France Total Revenue ("**Reference Rent**") at the end of every year;
- (iii) in the event the Reference Rent is less than the France Fixed Lease Rental, the quantum of the difference will be deducted against the Lease Cap Amount. In the event the Lease Cap Amount is fully depleted after such deductions, the France Master Lessee will convert the France Master Lease into a variable lease with variable rent being set at 32.0% of the France Total Revenue;
- (iv) the lease cap mechanism will be suspended under certain circumstances (including the renovation of the France Property); and
- (v) upon the expiry of the 10-year lease term of the France Master Lease, Ascott Kleber SNC and the France Master Lessee shall renegotiate the France Fixed Lease Rental and the Lease Cap Amount.

The terms of the France Master Lease include the following:

- (A) a payment of rent on a quarterly basis in advance;
- (B) a late payment penalty in respect of late payment of rent or other sum payable pursuant to the relevant France Master Lease, calculated *pro rata* in relation to the delay in payment, at an interest rate between 3.0% to 5.0% over the legal interest rate or the European Central Bank lending rate;

- (C) the France Master Lessee may, with Ascott Kleber SNC's consent, only assign or transfer its rights, benefits or obligations under the France Master Lease if the France Master Lease is to be assigned as a whole to the purchaser of the France Master Lessee's on-going concern and the France Master Lessee shall remain liable as a joint guarantor for all the successive assignees' obligations;
- (D) the France Master Lessee shall bear all taxes, including the land property tax;
- (E) the France Master Lessee shall obtain insurance policies in relation to, among other things, fire, explosions, floods, and the France Master Lessee waives, and must obtain from its insurers, a waiver of any recourse against the master lessor under the France Master Lease and its insurer;
- (F) in the event of a total destruction of the France Property, the France Master Lease shall be automatically terminated and in case of a partial destruction, the France Master Lessee has the choice between requesting a rent deduction and terminating the France Master Lease;
- (G) in the event the France Master Lease is terminated by Ascott Kleber SNC at the expiry of the term of 10 years, the France Master Lessee shall be entitled to compensation as may be agreed by the parties or as determined by an independent valuer, such compensation being required pursuant to Article L.145-14 (a mandatory provision) of the French Commercial Code. If such compensation is payable to the France Master Lessee, ART shall comply with all applicable provisions of the Listing Manual (including Chapter 9 of the Listing Manual relating to interested person transactions) for the time being in force when making any compensation to the France Master Lessee;
- (H) in the case of non-payment of rent or a breach of any covenant in the France Master Lease, Ascott Kleber SNC is entitled to terminate the France Master Lease on expiry of a 1-month period after delivery of a notice to pay, or to remedy the breach, and such notice is left unanswered or without remedy; and
- (I) the waiver of the France Master Lessee's right to unilaterally terminate the France Master Lease at the end of every 3-year period of the France Master Lease.

**(b) The Japan Master Leases**

Upon completion of the Acquisitions, DB Trust, as the trustee in respect of the TBI in relation to each of the Japan Properties, shall enter into separate Japan Master Leases with the Japan Master Lessee, pursuant to which all of the Japan Properties are leased to the Japan Master Lessee (being Japan Residence One YK<sup>56</sup>, as the "pass-through" master lessee under each of the Japan Master Leases). The use of the "pass-through" master lessee is to facilitate lease administration. The Japan Properties are in turn leased to individual end tenants by the Japan Master Lessee.

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<sup>56</sup> The Japan Master Lessee is a wholly-owned subsidiary of CapitaLand (see paragraph 6.2 for further details in respect of CapitaLand). The Japan Master Lessee is merely a "pass-through" vehicle and the Japan Master Lessee will pay all revenue it receives from the other tenants to DB Trust as the trustee in respect of the TBI in relation to each of the Japan Properties. The Japan Master Lessee does not charge any fee or retain any amount for acting as a "pass-through" vehicle, the purpose of which is to facilitate lease administration.

**(c) The Australia Master Lease**

Upon completion of the Acquisitions, the existing Australia Master Lease between the Australia Vendor and the Australia Master Lessee, a wholly-owned subsidiary of TAL, shall be assigned by the Australia Vendor to the Australia Purchaser.

The Australia Master Lease is for an initial term of 10 years commencing on 11 June 2018 and ending on 10 June 2028 (the “**Australia Master Lease Initial Term**”), subject to renewals for up to 3 further terms of 5 years each at the Australia Master Lessee’s option (each, a “**Australia Master Lease Extension Term**”).

The rental payable under the Australia Master Lease is as follows:

- (i) the Australia Master Lease Rental is AUD1.85 million per annum, subject to a fixed annual increase of 3.0% in each of the 3rd to 5th years and 7th to 10th years of the Australia Master Lease Initial Term;
- (ii) in the 6th year (commencing on 11 June 2023) of the Australia Master Lease Initial Term, the Australia Master Lease Rental is subject to a rent review based on the prevailing market rent. On the relevant date of the rent review, the Australia Master Lessor is to serve the Australia Master Lessee with a notice stating the Australia Master Lessor’s assessment of the market rent of the property. If the Australia Master Lessee does not agree with such assessed market rent, the revised rent amount shall be determined by a valuer and such valuer shall have regard to factors including recent rent market reviews for comparable properties, the terms of the Australia Master Lease and the condition of the Australia Property; and
- (iii) the Australia Master Lease Rental will be further reviewed on the commencement of each Australia Master Lease Extension Term. Thereafter, there will be a fixed annual increase of 3.0% in each of the 2nd to 5th years of each Australia Master Lease Extension Term.

Other key terms of the Australia Master Lease include the following:

- (A) the Australia Master Lessee is responsible for outgoings for the Australia Property which are reasonably and properly included by the Australia Master Lessor concerning the Australia Property, including but not limited to (1) insurances which the Australia Master Lessor is required to maintain under the Australia Master Lease; (2) land tax (on a single holding basis only) and other taxes (unless otherwise excluded); and (3) non-capital related costs of owning and maintaining the Australia Property relating to maintenance services, cleaning, gardening, security and pest control; and
- (B) the Australia Master Lessor is required to carry out certain refurbishment works on the Australia Property in 2 stages:
  - (1) refurbishment works required to commence 6 months prior to the 5th, 10th, 20th and 25th anniversaries of the Australia Master Lease, involving painting and the replacement of carpets in certain areas of the Australia Property; and
  - (2) refurbishment works required to be carried out by the 15th anniversary of the Australia Master Lease, involving painting and the replacement of carpets, tiles and fittings in certain areas of the Australia Property.



Should the required refurbishment works not commence by the relevant timelines stipulated in the Australia Master Lease, the Australia Master Lessee is entitled to seek a court order to compel the Australia Master Lessor to carry out the refurbishment works, or carry out the relevant refurbishment works and claim from the Australia Master Lessor as a liquidated debt the fees and expenses in connection with undertaking the refurbishment works.

The Australia Master Lessee is also entitled to terminate the Australia Master Lease with notice to the Australia Master Lessor should the required refurbishment works not take place by the relevant timelines stipulated in the Australia Master Lease or should the required refurbishment works be progressing at an unreasonable pace.

### **3.11 The Management Agreements**

#### **(a) The Vietnam SR Management Agreement**

Upon completion of the Acquisitions, the Vietnam Property will be managed and operated by AIMVCL, a wholly-owned subsidiary of TAL. Somerset Central TD Company Limited will enter into the Vietnam SR Management Agreement with AIMVCL in relation to the Vietnam Property, pursuant to which AIMVCL will be engaged as the manager of the Vietnam Property to operate, manage, promote, market and maintain the Vietnam Property for and on behalf of Somerset Central TD Company Limited during the term of the Vietnam SR Management Agreement.

The Vietnam SR Management Agreement is for an initial term of 10 years ("**Vietnam Initial Term**") and AIMVCL will be paid the following:

- (i) a base management fee of 2.0% of the total revenue of the Vietnam Property and between 6.0% to 9.0% of the gross operating profit of the Vietnam Property (with the actual percentage payment depending on the gross operating profit generated by the Vietnam Property); and
- (ii) various fees comprising, *inter alia*, the fees for providing the Ascott BITS, the global marketing services and trade mark, the global reservation services, the Ascott Loyalty Programme and other shared services (including centralised cluster services).

The terms of the Vietnam SR Management Agreement include the following:

- (A) Somerset Central TD Company Limited shall obtain and maintain, at its own cost and expense, all governmental permissions, licences and permits necessary to renovate, redevelop and own the Vietnam Property in accordance with certain prescribed standards;
- (B) Somerset Central TD Company Limited shall pay any and all debts, taxes and assessments whatsoever (including without limitation, payments on mortgages and other Encumbrances) relating to the Vietnam Property and Somerset Central TD Company Limited shall prevent any interference, obstruction or adverse effects to the operation and management of the Vietnam Property in accordance with certain prescribed standards;

- (C) AIMVCL shall have the right to assign or transfer any of its rights, benefits or obligations under the Vietnam SR Management Agreement to any of its affiliates to be the party to and/or perform the services under the Vietnam SR Management Agreement;
- (D) in the event that Somerset Central TD Company Limited sells the Vietnam Property in its entirety, it shall make an offer to AIMVCL, which shall have the first right to purchase the Vietnam Property in accordance with the terms of the Vietnam SR Management Agreement;
- (E) AIMVCL is entitled to terminate the Vietnam SR Management Agreement if Somerset Central TD Company Limited does not pay AIMVCL or any consultant all and/or any sums due and owing to AIMVCL or such consultant (as the case may be) under the Vietnam SR Management Agreement within 10 days from the date of a written demand thereof;
- (F) in the event that the whole or a material part of the Vietnam Property is (1) damaged by fire or a force majeure event to the extent that the damage cannot be materially restored with due diligence within a period of 365 days or less following the commencement of repairs or restoration as determined or assessed by an expert (such costs of the expert to be borne by Somerset Central TD Company Limited), or (2) taken or condemned in any expropriation, condemnation, compulsory acquisition or similar proceeding by any competent authority or if such portion thereof shall be taken or condemned, so as to make it imprudent or unreasonable to continue to operate the Vietnam Property for the purposes contemplated by the Vietnam SR Management Agreement, AIMVCL may terminate the Vietnam SR Management Agreement upon written notice to Somerset Central TD Company Limited; and
- (G) in the event that the Vietnam SR Management Agreement is terminated by AIMVCL pursuant to the Vietnam SR Management Agreement, or AIMVCL is precluded or prevented from operating, managing, promoting or marketing the Vietnam Property in accordance with the terms of the Vietnam SR Management Agreement for the balance of the Vietnam Initial Term then remaining, by reason of or as a consequence of any breach or wrongful repudiation by Somerset Central TD Company Limited of the Vietnam SR Management Agreement or the events set out in the termination provision of the Vietnam SR Management Agreement, then Somerset Central TD Company Limited shall compensate AIMVCL for all costs incurred by AIMVCL up to the date of termination (including all debts, claims, loss and damage accrued or incurred prior to or upon termination) and pay AIMVCL, upon the termination of the Vietnam SR Management Agreement, an amount as compensation which is based on the number of days remaining in the Vietnam Initial Term as from the date when AIMVCL is precluded or prevented from managing, operating, promoting or marketing the Vietnam Property in accordance with the terms of the Vietnam SR Management Agreement (whichever is applicable) subject to a maximum of 1,825 days.

**(b) The Amended Pre-Existing Asset Management Agreement**

The Pre-Existing Asset Management Agreement was entered into between CJKK, a wholly-owned subsidiary of CapitaLand, and the Japan Purchaser prior to the Acquisitions, pursuant to which the Japan Purchaser appointed CJKK as the asset manager for the portfolio of certain properties of the Japan Purchaser in Japan. Upon completion of the Acquisitions, the Pre-Existing Asset Management Agreement will be amended to appoint CJKK as the asset manager for the portfolio of properties of the Japan Purchaser enlarged to include the Japan Properties for the period commencing on the date of completion of the Acquisitions and expiring on 24 December 2030. The asset management fee payable to CJKK as the asset manager will be 3.0% of NOI for the relevant fiscal year.

**(c) The Pre-Existing Property Management Agreements**

The Pre-Existing Property Management Agreements were entered into between CJKK, a wholly-owned subsidiary of CapitaLand, and DB Trust, as the trustee in respect of the TBI in relation to each of the Japan Properties, prior to the Acquisitions, under which DB Trust appointed CJKK as the master property manager in respect of each of the Japan Properties. Upon completion of the acquisition of the Japan Properties, CJKK will continue to be the property manager in respect of each of the Japan Properties under the Pre-Existing Property Management Agreements, which will continue to subsist following the completion of the Acquisitions.

Under the Pre-Existing Property Management Agreements, no property management fees are payable to CJKK, and CJKK is able to appoint any third party property management companies to manage each of the Japan Properties. The Pre-Existing Property Management Agreements allow ease of administration and the scope of services to be provided by CJKK and the third party property management companies are the same. The property management fees are paid directly to the relevant third party management companies, where applicable.

The fees payable to the third party property management companies pursuant to the Pre-Existing Property Management Agreements remain unchanged before and after the Acquisitions.

**4. REQUIREMENT FOR STAPLED SECURITYHOLDERS' APPROVAL**

**4.1 Interested Person Transactions and Interested Party Transactions**

Under Chapter 9 of the Listing Manual, where ART proposes to enter into a transaction with an Interested Person and the value of the transaction (either by itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of ART's latest audited net tangible assets ("**NTA**"), Stapled Securityholders' approval is required in respect of the transaction.

Based on ART's latest audited consolidated financial statements for the financial year ended 31 December 2021 (the "**2021 Audited Consolidated Financial Statements**"), the NTA of ART was S\$3,890.9 million as at 31 December 2021. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by ART with an Interested Person is, either in itself or in aggregate with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same Interested

Person during the current financial year, equal to or in excess of S\$194.5 million, such a transaction would be subject to Stapled Securityholders' approval.

Paragraph 5 of the Property Funds Appendix also requires, *inter alia*, approval of the Stapled Securityholders for an Interested Party Transaction which value exceeds 5.0% of Ascott Reit's latest audited net asset value ("**NAV**"). Based on the 2021 Audited Consolidated Financial Statements, the NAV of Ascott Reit was S\$3,341.5 million as at 31 December 2021. Accordingly, if the value of a transaction which is proposed to be entered into by Ascott Reit with an Interested Party is equal to or greater than S\$167.1 million, such a transaction would be subject to Stapled Securityholders' approval.

#### 4.2 The IPT Transactions

As at the Latest Practicable Date, CapitaLand (i) directly and/or through its wholly-owned subsidiaries and through its interest in each of the Managers, has direct and deemed interests of approximately 39.2% in ART, and (ii) wholly owns each of the Managers, and is therefore regarded as a Controlling Unitholder of Ascott Reit and a Controlling Shareholder of the Ascott Reit Manager under the Property Funds Appendix, and a Controlling Stapled Securityholder of ART and a Controlling Shareholder of each of the Managers under the Listing Manual.

CapitaLand holds:

- (a) a 100.0% interest in the France Vendor through Ascott Holdings (Europe) Pte. Ltd., a wholly-owned subsidiary of TAHL, which is in turn a wholly-owned subsidiary of CapitaLand;
- (b) a 88.9% interest in the Japan Vendor through CRL Investment Pte. Ltd., a wholly-owned subsidiary of Ascott Investment Holdings Ltd., which is in turn a wholly-owned subsidiary of TAHL, a wholly-owned subsidiary of CapitaLand;
- (c) a 100.0% interest in the Vietnam Vendor through Ascott Investment Holdings Ltd., a wholly-owned subsidiary of TAHL, which is in turn a wholly-owned subsidiary of CapitaLand;
- (d) a 100.0% interest in the US Vendor through TAHL, a wholly-owned subsidiary of CapitaLand; and
- (e) a 100.0% interest in the Australia Vendor through TAHL, a wholly-owned subsidiary of CapitaLand.

The Master Lessees, the Property Managers, Ascott Holdings (Europe) Pte. Ltd. and The Ascott Capital Pte Ltd are wholly-owned subsidiaries of CapitaLand. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendors, the Master Lessees, the Property Managers, Ascott Holdings (Europe) Pte. Ltd. and The Ascott Capital Pte Ltd are Interested Persons<sup>57</sup> and Interested Parties<sup>58</sup> of ART. As such, the IPT Transactions will constitute Interested Person

57 The Listing Manual states that in the case of a REIT, the term "interested person" shall have the meaning ascribed to the term "interested party" in the Code on Collective Investment Schemes, namely:

- (a) a director, chief executive officer or Controlling Shareholder of the REIT manager;
- (b) the REIT manager, the trustee or controlling unitholder of the REIT; or
- (c) an associate of any of the persons or entities in (a) or (b) above, as each such term is defined in the Code on Collective Investment Schemes.

58 As defined in the Property Funds Appendix, the term "**Interested Party**" means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or controlling unitholder of the property fund.

Transactions under Chapter 9 of the Listing Manual and/or Interested Party Transactions under Paragraph 5 of the Property Funds Appendix.

As at the Latest Practicable Date, save for the IPT Transactions, the value of all interested person transactions entered into between ART and CapitaLand and its subsidiaries (including TAL) and associates during the course of the current financial year is approximately S\$64.8 million (which is approximately 1.7% of the NTA of ART as at 31 December 2021). Save as described above, there are no other interested person transactions entered into with CapitaLand and its subsidiaries and associates or any other interested person of ART during the course of the current financial year.

Given that:

- (i) the Aggregate Purchase Consideration for the Acquisitions is S\$215.2 million, and in respect of the France Acquisition, additionally, the value of the France Rent Guarantee is S\$1.1 million;
- (ii) the value of the aggregate rent under the Master Leases<sup>59</sup> is S\$92.8 million<sup>60</sup>;
- (iii) the value of the aggregate management fees under the Management Agreements is S\$3.9 million<sup>61</sup>; and
- (iv) the aggregate of the France Loan and the interest payable in respect of the France Loan under the France Loan Amendment and Restatement Agreement and the estimated interest payable under the France IRS pursuant to the France Loan IRS Novation Agreement is S\$74.7 million,

the value of the IPT Transactions is approximately S\$387.7 million, representing approximately 10.0% of ART's latest audited NTA and 11.6% of Ascott Reit's latest audited NAV. As this value exceeds 5.0% of ART's latest audited NTA and 5.0% of Ascott Reit's latest audited NAV, the IPT Transactions is subject to Stapled Securityholders' approval under Chapter 9 of the Listing Manual and the Property Funds Appendix.

Therefore, the Managers are seeking the approval of Stapled Securityholders for the Ordinary Resolution (*The Proposed Acquisition of Interests in Serviced Residence Properties in France, Vietnam and Australia, Rental Housing Properties in Japan and a Student Accommodation Property in South Carolina, US at an Aggregate Purchase Consideration of S\$215.2 Million from Interested Persons and Entry into Master Leases, Management Agreements and France Loan Assignment Documents*).

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59 There is no value attributed to the Japan Master Leases as the Japan Master Lessee does not charge any fee or retain any amount for acting as a "pass-through" vehicle and the Japan Master Lessee will pay all revenue it receives from the other tenants to DB Trust as the trustee in respect of the TBI in relation to each of the Japan Properties.

60 Based on a lease term of 10 years in relation to the France Master Lease and a remaining lease term of 6 years (together with an option to renew for 3 further terms of 5 years each) in relation to the Australia Master Lease.

61 Based on the total projected management fees for (a) a term of 10 years in relation to the Vietnam SR Management Agreement, and (b) a term commencing on the date of completion of the Acquisitions and expiring on 24 December 2030 in relation to the Amended Pre-Existing Asset Management Agreement.

## 4.3 Discloseable Transaction

### 4.3.1 Discloseable Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, and the provision of financial assistance by ART. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A transaction by ART may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the NAV of the assets to be disposed of, compared with the ART group's NAV;
- (ii) the net profits attributable to the assets acquired, compared with the ART group's net profits;
- (iii) the aggregate value of the consideration given, compared with ART's market capitalisation;
- (iv) the number of Stapled Securities issued by ART as consideration for an acquisition, compared with the number of units previously in issue; and
- (v) the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the ART group's proved and probable reserves.

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a "major transaction" under Rule 1014 of the Listing Manual which would be subject to the approval of Stapled Securityholders, unless such transaction is in the ordinary course of ART's business.

As the relative figures in relation to the Acquisitions, the entry into the France Loan Assignment Documents and the Vietnam Guarantee (collectively, the "**Significant Transactions**") computed on the bases set out above exceed 5.0% but do not exceed 20.0%, the Significant Transactions will constitute discloseable transactions under Chapter 10 of the Listing Manual.

### 4.3.2 Relative Figures computed on the Bases set out in Rule 1006

For purposes of illustration to Stapled Securityholders, the relative figures for the Significant Transactions using the applicable bases of comparison described in paragraph 4.3.1 above are set out in the table below.



Rule 1006	Bases	The Significant Transactions (S\$ million)	ART (S\$ million)	Relative figure (%)
(a)	NAV of the assets disposed of, compared with the ART group's NAV <sup>(1)</sup>	N.A.	N.A.	N.A.
(b)	Net profits, compared with the ART group's net profits	1.5 <sup>(2)</sup>	50.4 <sup>(3)</sup>	3.0
(c)	Consideration, compared with ART's market capitalisation	300.3 <sup>(4)</sup>	3,882.4 <sup>(5)</sup>	7.7
(d)	Number of Stapled Securities issued by ART as consideration, compared with the number of Stapled Securities previously in issue <sup>(6)</sup>	N.A.	N.A.	N.A.
(e)	Proved and probable reserves to be disposed of, compared with the ART group's proved and probable reserves <sup>(7)</sup>	N.A.	N.A.	N.A.

**Notes:**

- (1) Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.
- (2) Based on (a) the consolidated net profit before tax of Ascott Holdings (France) SAS group (excluding the France Excluded Units), Ascott Kleber SNC (excluding the France Excluded Units), and Somerset Central TD Company Limited, (b) 50.0% of the consolidated net profit before tax of Columbia PBSA Venture Pte. Ltd., and (c) the net profit before tax in respect of each of the Japan Properties and the Australia Property for the six months ended 30 June 2022, which takes into account the rentals received assuming the Master Leases were in place from 1 January 2022.
- (3) Based on ART's unaudited interim financial statements for the six months ended 30 June 2022.
- (4) Comprises (a) the Aggregate Purchase Consideration of S\$215.2 million for the Acquisitions (which takes into account the Shareholder's Loans of S\$141.7 million which will be assumed by the France Purchaser, the Vietnam Purchaser and the US Purchaser pursuant to the Acquisitions), (b) the maximum liability of S\$74.7 million<sup>62</sup> which will be assumed by the Trustee pursuant to the France Loan Amendment and Restatement Agreement and the France Loan IRS Novation Agreement, and (c) the maximum contingent liability of S\$10.4 million which will be assumed by the Trustee pursuant to the Vietnam Guarantee.
- (5) The figure is based on the closing price of S\$1.18 per Stapled Security on SGX-ST as at 12 August 2022, being the market day immediately prior to entry of the Sale and Purchase Agreements.
- (6) Rule 1006(d) of the Listing Manual is not applicable as ART will not be issuing any Stapled Securities as consideration for the Acquisitions.
- (7) Rule 1006(e) of the Listing Manual is not applicable as ART is not a mineral, oil and gas company disposing of mineral, oil or gas assets.

The Managers are of the view that the Significant Transactions are in the ordinary course of ART's business as the Properties being acquired are within the investment policy of ART and do not change the risk profile of ART.

<sup>62</sup> This figure includes the estimated interest payable in relation to the France Loan Amendment and Restatement Agreement and the estimated interest payable under the France IRS pursuant to the France Loan IRS Novation Agreement.

#### 4.4 Advice of the Independent Financial Adviser

With the approval of the Independent Directors, the Managers have appointed the IFA to advise the Independent Directors and the Trustee in relation to the IPT Transactions. A copy of the IFA Letter to the Independent Directors and the Trustee, containing its advice in full, is set out in **Appendix A** of this Circular and Stapled Securityholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in its letter, and subject to the qualifications set out therein, the IFA is of the view that the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders.

The IFA is of the opinion that the Independent Directors may recommend that Stapled Securityholders vote in favour of the Resolution to be proposed at the EGM.

#### 4.5 Directors' Service Contracts

No person is proposed to be appointed as a Director as a result of the Significant Transactions or any other transactions contemplated in relation to the Significant Transactions.

#### 4.6 Pro Forma Financial Impact of the Transactions

The *pro forma* financial information of the Transactions is provided in paragraph 5.

### 5. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

#### 5.1 Pro Forma Financial Effects

The *pro forma* financial effects of the Transactions on the DPS and NAV per Stapled Security presented below are strictly for illustrative purposes, and based on the following assumptions:

- (a) the exchange rates between EUR, JPY, VND, USD, AUD and Singapore dollar are assumed to be as follows:

	Average rate for FY2021	31 December 2021
EUR	1.599300	1.538380
JPY	0.012290	0.011860
VND	0.000058	0.000060
USD	1.336480	1.353300
AUD	1.021960	0.994210

- (b) the Aggregate Purchase Consideration of the Acquisitions is S\$215.2 million (based on the exchange rate of €1.00 to S\$1.45047, ¥1.00 to S\$0.01078, VND1.00 to S\$0.00006, US\$1.00 to S\$1.39292 and AUD1.00 to S\$0.96681);
- (c) the financing for the France Deferred Payment is not considered in determining the *pro forma* financial effects as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee's renovation works have been completed in accordance with terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date);

- (d) approximately 3.1 million Stapled Securities are issued as payment of the acquisition fees payable to the Ascott Reit Manager at an illustrative issue price of S\$1.08 per Stapled Security;
- (e) the Ascott Reit Manager's management fees payable for the Acquisitions were paid 100.0% in Stapled Securities; and
- (f) transactions undertaken by ART that were not completed as at 31 December 2021 are not taken into account in determining the *pro forma* financial effects.

## 5.2 Pro Forma DPS and Distribution Yield

The table below sets out the *pro forma* financial effects of the Transactions on ART's DPS and distribution yield for FY2021, as if the Transactions were completed on 1 January 2021, approximately 114.9 million new Stapled Securities are issued at an illustrative issue price of S\$1.064 per new Stapled Security pursuant to the Private Placement with fund raising costs of S\$1.8 million and assuming the total acquisition cost of S\$263.5 million is approximately 54.0% funded by debt. Please also refer to the sensitivity analysis below.

	Pro Forma Financial Effects for FY2021	
	Existing Portfolio	After the Transactions
<b>Total Distribution (S\$'000)</b>	137,323 <sup>(1)</sup>	146,544
<b>No. of Stapled Securities ('000)</b>	3,276,547 <sup>(2)</sup>	3,395,414 <sup>(3)</sup>
<b>DPS (cents)</b>	4.32	4.44
<b>Distribution Yield (%)</b>	4.2 <sup>(4)</sup>	4.3 <sup>(4)</sup>

### Notes:

- (1) Based on the 2021 Audited Consolidated Financial Statements. Total distribution included a one-off distribution of divestment gain of S\$45.0 million to share divestment gains with Stapled Securityholders, replace income from divested assets and mitigate the impact of COVID-19 on distributions.
- (2) Number of Stapled Securities in issue as at 31 December 2021.
- (3) Includes adjustments to include approximately 3.1 million new Stapled Securities issued as payment of the acquisition fee (based on the assumed price stated at paragraph 5.1(d)) and Ascott Reit Manager's management fees for the Acquisitions. The Stapled Securities issued as payment of the Ascott Reit Manager's management fees were assumed to be issued at the same prices as those that were actually issued as payment for Ascott Reit Manager's management fees for the existing properties for FY2021.
- (4) Based on the closing Stapled Security price of S\$1.03 on 31 December 2021.

### DPS and DPS accretion sensitivity analysis

The *pro forma* financial effects are based on a number of key assumptions set out above. Stapled Securityholders should be aware that future events cannot be predicted with any certainty and deviations from the *pro forma* financial effects are to be expected. To assist Stapled Securityholders in assessing the impact of these assumptions on the *pro forma* financial effects of the Transactions on ART's DPS, the sensitivity to DPS to changes in the issue prices of the new Stapled Securities and the number of new Stapled Securities issued under the Private Placement are set out below.

The sensitivity analysis below is intended as a guide only to show the *pro forma* DPS and DPS accretion at various issue prices and numbers of new Stapled Securities issued under the Private Placement, and variations in actual issue prices could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any

variable beyond the extent shown. The sensitivity analysis has been prepared using the assumptions (as set out in paragraph 5.1 above).

Changes in the issue price of the new Stapled Securities will have an impact on the number of the new Stapled Securities to be issued under the Private Placement and consequently the DPS. The illustrative issue price has been assumed to be S\$1.064 per new Stapled Security. The effects of variations in the issue price per new Stapled Security on the DPS for FY2021 are set out below:

#### For Illustration Purposes Only

Issue Price (\$)	Approximate number of new Stapled Securities issued under the Private Placement (million)	Pro Forma DPS for FY2021		DPS Accretion (%)
		Existing Portfolio	After the Transactions	
0.980	124.8	4.32	4.43	2.5%
1.000	122.3	4.32	4.43	2.5%
1.020	119.9	4.32	4.44	2.8%
1.040	117.6	4.32	4.44	2.8%
<b>1.064</b>	<b>114.9</b>	<b>4.32</b>	<b>4.44</b>	<b>2.8%</b>
1.080	113.2	4.32	4.45	3.0%
1.100	111.2	4.32	4.45	3.0%
1.120	109.2	4.32	4.45	3.0%
1.140	107.3	4.32	4.45	3.0%

### 5.3 Pro Forma Consolidated NAV

The table below sets out the *pro forma* financial effects of the Transactions on the consolidated NAV of ART as at 31 December 2021, as if the Transactions were completed on 31 December 2021.

	Pro Forma Financial Effects as at 31 December 2021	
	Existing Portfolio	After the Transactions
<b>NAV (\$'000)</b>	3,890,860 <sup>(1)</sup>	4,014,640 <sup>(2)</sup>
<b>Stapled Securities in issue ('000)</b>	3,276,547 <sup>(3)</sup>	3,394,559 <sup>(4)</sup>
<b>NAV per Stapled Security (\$)</b>	1.19	1.18

#### Notes:

- (1) Based on the 2021 Audited Consolidated Financial Statements.
- (2) Adjusted for the *pro forma* financial effects of the Private Placement and associated costs, as if they were completed on 31 December 2021.
- (3) Number of Stapled Securities in issue as at 31 December 2021.
- (4) Includes adjustments to include approximately 114.9 million new Stapled Securities issued at an illustrative issue price of S\$1.064 per new Stapled Security pursuant to the Private Placement and approximately 3.1 million new Stapled Securities issued as payment of the acquisition fee (based on the assumed price stated at paragraph 5.1(d)). For the avoidance of doubt, the impact of the Private Placement on the NAV per Stapled Security is not material.

## 5.4 Pro Forma Capitalisation

The table below sets out the *pro forma* capitalisation of ART as at 31 December 2021, as if the Transactions were completed on 31 December 2021.

	Pro Forma Capitalisation as at 31 December 2021	
	Actual (S\$'000)	After the Transactions (S\$'000)
<b>Short-term debt<sup>(2)</sup>:</b>		
Secured debt	155,018	155,018
Unsecured debt	609,167	609,844
Total short-term debt	764,185	764,862
<b>Long-term debt<sup>(2)</sup>:</b>		
Secured debt	713,314	850,308
Unsecured debt	1,251,425	1,342,342
Total long-term debt	1,964,739	2,192,650
<b>Total debt</b>	2,728,924	2,957,512
Stapled Securityholders' funds	3,890,860 <sup>(1)</sup>	4,014,640
<b>Total capitalisation</b>	6,619,784	6,972,152
	Actual	After the Transactions
<b>Aggregate leverage</b>	37.1%	38.5% <sup>(3)</sup>

**Notes:**

(1) Based on the 2021 Audited Consolidated Financial Statements.

(2) Stated net of unamortised transaction costs.

(3) After the completion of the Acquisitions and taking into account the France Deferred Payment which is categorised as a liability on the balance sheet of ART and used to compute the *pro forma* aggregate leverage. This *pro forma* aggregate leverage of 38.5% represents an available debt headroom of approximately S\$0.9 billion (based on the aggregate leverage limit of 45.0% set by MAS under the Property Funds Appendix).

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL STAPLED SECURITYHOLDERS

### 6.1 Interests of Directors

Based on the Register of Directors' Stapled Securityholdings and the information available to the Managers as at the Latest Practicable Date, the interests of the Directors in Stapled Securities are set out below:

Name of Directors	Direct Interest		Deemed Interest		Total Interest		Contingent Awards of Stapled Securities under the Managers' Stapled Security Plans	
	No. of Stapled Securities	% <sup>(1)(2)</sup>	No. of Stapled Securities	% <sup>(1)(2)</sup>	No. of Stapled Securities	% <sup>(1)(2)</sup>	Performance Stapled Security Plan <sup>(3)</sup>	Restricted Stapled Security Plan
Tan Beng Hai, Bob	136,042	0.004	–	–	136,042	0.004	–	–
Teo Joo Ling, Serena	–	–	–	–	–	–	0 to 221,826 <sup>(4)</sup>	0 to 166,369 <sup>(4)</sup>
Sim Juat Quee Michael Gabriel	90,649	0.002	–	–	90,649	0.002	–	–
Chia Kim Huat	115,322	0.003	–	–	115,322	0.003	–	–
Deborah Lee Siew Yin	21,767	0.000	–	–	21,767	0.000	–	–
LG Ong Su Kiat Melvyn	–	–	–	–	–	–	–	–
Goh Soon Keat Kevin	171,276	0.005	–	–	171,276	0.005	–	–
Beh Siew Kim	1,358,069	0.041	–	–	1,358,069	0.041	0 to 1,083,332 <sup>(4)</sup>	0 to 332,740 <sup>(4)(5)</sup> 35,539 <sup>(5)(6)</sup> 185,391 <sup>(5)(7)</sup>

**Notes:**

- (1) Based on Stapled Securityholders' disclosures in respect of interests in securities.
- (2) The percentage interest is based on Stapled Securities in issue as at the Latest Practicable Date, being 3,290,187,524 Stapled Securities, and is rounded down to the nearest 0.001%.
- (3) This refers to the number of Stapled Securities which are the subject of contingent awards but not released under the Managers' Performance Stapled Security Plan ("PSSP"). The final number of Stapled Securities that will be released could range from 0% to a maximum of 200% of the baseline award under the PSSP.
- (4) The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the performance period for the PSSP and Managers' Restricted Stapled Security Plan ("RSSP").
- (5) On the final vesting, an additional number of Stapled Securities of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RSSP, will also be released.
- (6) Being the unvested remaining one-third of the RSSP 2020 Award.
- (7) Being the unvested two-thirds of the RSSP 2021 Award.



## 6.2 Interests of Substantial Stapled Securityholders

Based on the information available to the Managers, the substantial Stapled Securityholders and their interests in the Stapled Securities as at the Latest Practicable Date are set out below:

Name of Substantial Stapled Securityholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	% <sup>(1)(2)</sup>	No. of Stapled Securities	% <sup>(1)(2)</sup>	No. of Stapled Securities	% <sup>(1)(2)</sup>
Temasek Holdings (Private) Limited (" <b>Temasek</b> ")	–	–	1,303,604,163 <sup>(3)</sup>	39.62	1,303,604,163	39.62
Tembusu Capital Pte. Ltd. (" <b>Tembusu</b> ")	–	–	1,294,839,559 <sup>(4)(5)</sup>	39.35	1,294,839,559	39.35
Bartley Investments Pte. Ltd. (" <b>Bartley</b> ")	–	–	1,289,400,259 <sup>(5)</sup>	39.18	1,289,400,259	39.18
Mawson Peak Holdings Pte. Ltd. (" <b>Mawson</b> ")	–	–	1,289,400,259 <sup>(5)</sup>	39.18	1,289,400,259	39.18
Glenville Investments Pte. Ltd. (" <b>Glenville</b> ")	–	–	1,289,400,259 <sup>(5)</sup>	39.18	1,289,400,259	39.18
TJ Holdings (III) Pte. Ltd. (" <b>TJ Holdings</b> ")	–	–	1,289,400,259 <sup>(5)</sup>	39.18	1,289,400,259	39.18
CLA Real Estate Holdings Pte. Ltd. (formerly known as Ascendas–Singbridge Pte. Ltd.) (" <b>CLA</b> ")	–	–	1,289,400,259 <sup>(6)</sup>	39.18	1,289,400,259	39.18
CapitaLand Group Pte. Ltd. (" <b>CL</b> ")	–	–	1,289,400,259 <sup>(7)</sup>	39.18	1,289,400,259	39.18
CapitaLand Investment Limited (" <b>CapitaLand</b> ")	–	–	1,289,400,259 <sup>(8)</sup>	39.18	1,289,400,259	39.18
The Ascott Limited (" <b>TAL</b> ")	476,152,416	14.47	568,792,760 <sup>(9)</sup>	17.28	1,044,945,176	31.75
Somerset Capital Pte Ltd (" <b>SCPL</b> ")	568,792,760	17.28	–	–	568,792,760	17.28
Ascott Residence Trust Management Limited (" <b>ARTML</b> ")	236,072,273	7.17	–	–	236,072,273	7.17

### Notes:

- (1) Based on substantial Stapled Securityholders' disclosures in respect of interests in securities.
- (2) The percentage interest is based on Stapled Securities in issue as at the Latest Practicable Date, being 3,290,187,524 Stapled Securities, and is rounded down to the nearest 0.01%.
- (3) Temasek is deemed to have an interest in the stapled securityholdings in which its subsidiaries and associated companies (including but not limited to CLA) have direct or deemed interests pursuant to Section 4 of the SFA.
- (4) Tembusu is deemed to have an interest in the stapled securityholdings in which its subsidiaries and associated companies (including but not limited to CLA) have direct or deemed interests pursuant to Section 4 of the SFA.
- (5) Temasek holds 100.0% of the equity interest in Tembusu, which holds 100.0% of the equity interest in Bartley, which holds 100.0% of the equity interest in Mawson, which holds 100.0% of the equity interest in Glenville, which holds 100.0% of the equity interest in TJ Holdings, which holds 100.0% of the equity interest in CLA. CLA holds approximately 52.58% of the issued shares in CapitaLand through CL, a wholly-owned subsidiary of CLA. Each of Tembusu, Bartley, Mawson, Glenville and TJ Holdings is deemed to have an interest in the stapled securityholdings in which CLA is deemed to have an interest pursuant to Section 4 of the SFA.
- (6) CLA is deemed to have an interest in the stapled securityholdings that CL is deemed to have an interest pursuant to Section 4 of the SFA.

- (7) CL is deemed to have an interest in the stapled securityholdings that CapitaLand is deemed to have an interest pursuant to Section 4 of the SFA.
- (8) CapitaLand is deemed to have an interest in the stapled securityholdings of its wholly-owned subsidiaries, TAL, ARTML, Ascott Business Trust Management Pte. Ltd. and Carmel Plus Pte. Ltd..
- (9) TAL is deemed to have an interest in the stapled securityholdings of its wholly-owned subsidiary, SCPL.

### 6.3 Interests of Directors and Substantial Stapled Securityholders

Save as disclosed in this Circular and based on the information available to the Managers as at the Latest Practicable Date, none of the Directors and substantial Stapled Securityholders have any interest, direct or indirect, in relation to the Transactions, other than through their respective stapled securityholdings in ART.

## 7. RECOMMENDATIONS

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix A** of this Circular) and the rationale for and benefits of the Transactions as set out in paragraph 1.2 above, the Independent Directors (which includes the Audit Committee) are of the view that the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders.

Accordingly, the Independent Directors recommend that Stapled Securityholders vote at the EGM in favour of the Resolution.

## 8. EXTRAORDINARY GENERAL MEETING

### 8.1 Background on COVID-19 Related Regulations

The Managers refer to:

- (a) the COVID-19 (Temporary Measures) Act 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, teleconferencing or other electronic means and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), which sets out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts;
- (b) the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 (the “**Regulations**”) which were issued by the Minister for Health on 7 April 2020, and which put in place a set of safe management measures to pre-empt increasing local transmission of COVID-19;
- (c) the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022) which provides guidance on the conduct of general meetings amid the evolving COVID-19 situation; and
- (d) the article published by the Singapore Exchange dated 23 May 2022 titled “Regulator’s Column: Live engagement and voting expected at all AGMs for FYs ending 30 June 2022 or after” requiring any general meetings on or after 1 October 2022 seeking shareholder’s approval for corporate transactions to adopt real-time electronic voting and real-time electronic communications during the general meeting.

## 8.2 Date, time and conduct of the EGM

Pursuant to the Regulations and the Order, the EGM will be convened and held at 168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912 (the “**Physical Meeting**”) and by electronic means (the “**Virtual Meeting**”) on Friday, 9 September 2022 at 2.00 p.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without modification, the Resolution set out in the Notice of EGM, which is set out on pages EGM-1 to EGM-8 of this Circular.

Approval by way of an Ordinary Resolution is required in respect of the IPT Transactions.

A Depositor shall not be regarded as a Stapled Securityholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Stapled Securities entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“**CDP**”) as at 48 hours before the time fixed for the EGM.

The Managers’ Chairman, Mr. Tan Beng Hai, Bob, and Chief Executive Officer, Ms. Teo Joo Ling, Serena, will conduct the proceedings of the EGM and, together with the Chairman of the Audit Committee, Mr. Sim Juat Quee Michael Gabriel, and senior management of the Managers, will address the substantial and relevant questions raised during the EGM which are related to the Resolution to be tabled for approval at the EGM. The hybrid format of the EGM serves to facilitate interaction between the Board of Directors of the Managers, the management team of the Managers and Stapled Securityholders.

The Managers will endeavour to address all substantial and relevant questions (which are related to the Resolution to be tabled for approval at the EGM) received in advance of the EGM from the Stapled Securityholders, prior to or during the EGM. The Managers will publish the responses to the substantial and relevant questions which the Managers will not be addressing during the EGM, on ART’s website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements> prior to the EGM. Where substantially similar questions are received, the Managers will consolidate such questions and consequently, not all questions may be individually addressed.

The Managers will publish the minutes of the EGM on ART’s website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements>, within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

## 9. ABSTENTIONS FROM VOTING

Mr. Goh Soon Keat Kevin is the Chief Executive Officer of TAL and the Chief Executive Officer (Lodging) of CapitaLand, Ms. Beh Siew Kim is the Chief Financial and Sustainability Officer (Lodging) of CapitaLand, and Ms. Teo Joo Ling, Serena is the Chief Executive Officer of the Managers. They have abstained from making any recommendations to Stapled Securityholders on the IPT Transactions and will abstain from voting on the Resolution at the EGM in respect of the IPT Transactions.

Rule 919 of the Listing Manual prohibits Interested Persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested at the EGM.

TAL, SCPL and the Ascott Reit Manager, being wholly-owned subsidiaries of CapitaLand and Interested Persons, are required to abstain from voting on the Resolution at the EGM in respect of the IPT Transactions. As such, they (a) will abstain, and will procure that their associates abstain, from voting at the EGM on the Resolution, and (b) will not, and will procure that their associates do not, accept appointments as proxies in relation to the Resolution, unless specific instructions as to voting are given.

## **10. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS**

### **10.1 Circular, Notice of EGM and Proxy Form**

This Circular, the Notice of EGM and the instrument appointing a proxy(ies) ("**Proxy Form**") will be sent to Stapled Securityholders solely by electronic means via publication on ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html), and on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will not be sent to Stapled Securityholders.

### **10.2 Pre-registration Requirements Applicable to All Stapled Securityholders**

Stapled Securityholders, including CPF and SRS investors, can pre-register themselves or, where applicable, their duly appointed proxy(ies), for the Physical Meeting or Virtual Meeting at the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) from now up to 2.00 p.m. on Wednesday, 7 September 2022 to enable the Managers to verify their status.

Stapled Securityholders (including CPF and SRS investors), or where, applicable, their duly appointed proxy(ies) who have (or have been) pre-registered by 7 September 2022, 2.00 p.m. deadline, but have not received the Confirmation Email for Physical Meeting or Confirmation Email for Virtual Meeting (each as defined below) by 8.00 p.m. on Thursday, 8 September 2022, should immediately contact ART's Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at **(65) 6536-5355** (during office hours) or via email at [ART@boardroomlimited.com](mailto:ART@boardroomlimited.com).

### **10.3 Personal Attendance at the Physical Meeting**

Due to the constantly evolving COVID-19 situation in Singapore, the Managers intend to restrict the number of in-person attendees at the Physical Meeting to 200 persons or such other number as the Managers may determine with reference to the applicable Ministry of Health advisories and guidelines.

This limit for in-person attendees at the Physical Meeting may be subject to change taking into account any regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time.

Stapled Securityholders (including CPF and SRS investors), or, where applicable, their appointed proxy(ies) who wish to attend the Physical Meeting in person are required to note the following:

#### **(a) Pre-registration**

- (i) when pre-registering, to select the option to indicate their interest to attend the Physical Meeting in person;
- (ii) if more than 200 persons have pre-registered their interest to attend the Physical Meeting, the Managers shall conduct a balloting process to determine the Stapled Securityholders (including CPF and SRS investors), or where applicable, their duly appointed proxy(ies), who shall be entitled to attend the Physical Meeting;
- (iii) following verification, authenticated Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies), who have (or have been) pre-registered, will receive an email confirming successful

registration by 8.00 p.m. on Thursday, 8 September 2022 which will contain details as well as instructions on attending the Physical Meeting (the “**Confirmation Email for Physical Meeting**”). Such Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) will be required to bring their original NRIC/Passport for registration on the day of the EGM. In the event that the Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) are unable to attend the Physical Meeting for unforeseen reasons, they may attend the Virtual Meeting through the login credentials in the Confirmation Email for Physical Meeting; and

- (iv) authenticated Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies), who are not successful in registering for the Physical Meeting, will also receive a notification email containing the login credentials for the Virtual Meeting. Stapled Securityholders (including CPF and SRS investors), or where applicable, their duly appointed proxy(ies) who did not receive the Confirmation Email for Physical Meeting will not be allowed entry into the Physical Meeting.

**(b) Raising Questions**

Stapled Securityholders (including CPF and SRS investors), or, where applicable, their duly appointed proxy(ies) attending the Physical Meeting will be able to:

- (i) submit questions in advance of the EGM; and
- (ii) raise questions at the Physical Meeting.

Please refer to the Notice of EGM for the arrangements relating to submission and raising of questions to the Chairman of the EGM in advance of, or live at, the EGM and addressing of substantial and relevant questions in advance of, or live at, the EGM.

**(c) Voting at the EGM**

Live voting will be conducted during the EGM for Stapled Securityholders or, where applicable, their duly appointed proxy(ies) attending the Physical Meeting. Please refer to paragraphs 10.5 and 10.6 below for further details on the voting at the EGM.

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who are feeling unwell on the date of the EGM are advised not to attend the Physical Meeting.

#### **10.4 Details of the Virtual Meeting**

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) attending the Virtual Meeting will be able to observe and/or listen to the EGM proceedings through live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers.

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who wish to attend the Virtual Meeting are required to note the following:

**(a) Pre-registration**

- (i) when pre-registering, to select the option to indicate their interest to attend the Virtual Meeting; and

- (ii) following verification, authenticated Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies), who have (or have been) pre-registered, will receive an email confirming successful registration by 8.00 p.m. on Thursday, 8 September 2022 which will contain unique user credentials as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings (the **“Confirmation Email for Virtual Meeting”**).

**(b) Observing and/or Listening to the EGM Proceedings via the Live Webcast**

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) will be able to observe and/or listen to the EGM proceedings through live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers.

**(c) Submitting Questions**

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) attending the Virtual Meeting will be able to:

- (i) submit questions in advance of the EGM; and
- (ii) raise questions at the EGM, by typing in and submitting their questions through the live chat function via the audio-visual webcast platform.

Please refer to the Notice of EGM for the arrangements relating to submission and raising of questions to the Chairman of the EGM in advance of, or live at, the EGM and addressing of substantial and relevant questions in advance of, or live at, the EGM.

**(d) Voting at the EGM**

Live voting will be conducted during the EGM for Stapled Securityholders or, where applicable, their duly appointed proxy(ies) attending the Virtual Meeting. Please refer to paragraphs 10.5 and 10.6 below for further details on the voting at the EGM.

**10.5 Voting at the EGM**

Live voting will be conducted during the EGM for Stapled Securityholders or, where applicable, their duly appointed proxy(ies) attending the Physical Meeting or Virtual Meeting. It is important for Stapled Securityholders or, where applicable, their duly appointed proxy(ies) to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting.

Stapled Securityholders who wish to exercise their voting rights at the EGM may:

- (a) (where such Stapled Securityholders are individuals) vote live via electronic means at the EGM or (whether such Stapled Securityholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the EGM) to vote live via electronic means at the EGM on their behalf, in each case through the login credentials in the Confirmation Email for Physical Meeting and/or the Confirmation Email for Virtual Meeting; or
- (b) (whether such Stapled Securityholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.



## 10.6 Relevant Intermediaries

Persons who hold Stapled Securities through relevant intermediaries (as defined in the Notice of EGM), other than CPF and SRS investors, and who wish to participate in the EGM by (a) attending the Physical Meeting; (b) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream, (c) submitting questions to the Chairman of the EGM in advance of, or live at, the EGM, and/or (d) voting at the EGM (i) live via electronic means by being appointed as proxy by their relevant intermediary, or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM, should contact the relevant intermediary through which they hold such Stapled Securities as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

CPF and SRS investors should note that they (i) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies, or (ii) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. on Wednesday, 31 August 2022, being 7 working days before the date of the EGM. For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the EGM) to vote live at the EGM on their behalf.

## 10.7 Key actions to be taken by Stapled Securityholders

In summary, the key actions to be taken by Stapled Securityholders if they wish to participate in the EGM, based on the manner in which they hold their Stapled Securities, are set out in the table below:

	If I hold Stapled Securities via CDP	If I hold Stapled Securities through CPF or SRS	If I hold Stapled Securities through a relevant intermediary
<b>I wish to ask questions in advance, and to attend, speak and vote at the EGM</b>	<p><b>Submit questions in advance</b> via the pre-registration website, via email or by post by <u>2.00 p.m. on Tuesday, 6 September 2022</u></p> <p><b>Pre-register</b> for the Physical Meeting or the Virtual Meeting at the pre-registration website by <u>2.00 p.m. on Wednesday, 7 September 2022</u></p> <p><b>Ask questions and vote live at the EGM<sup>63</sup></b> by attending the Physical Meeting or accessing the EGM proceedings via the live audio-visual webcast at <u>2.00 p.m. on Friday, 9 September 2022</u></p>		<b>Approach your relevant intermediary</b> (if your relevant intermediary has not already contacted you)

<sup>63</sup> CPF and SRS investors should note that they (i) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.



	<b>If I hold Stapled Securities via CDP</b>	<b>If I hold Stapled Securities through CPF or SRS</b>	<b>If I hold Stapled Securities through a relevant intermediary</b>
<b>I do not wish to attend the EGM, but wish to vote by <u>appointing Chairman of the EGM as proxy</u></b>	<b>Submit Proxy Form</b> appointing Chairman of the EGM as proxy via the pre-registration website, via email or by post <u>by 2.00 p.m. on Wednesday, 7 September 2022</u>	<b>Approach your CPF Agent Bank or SRS Operator</b> to submit your votes <u>by 2.00 p.m. on Wednesday, 31 August 2022</u>	<b>Approach your relevant intermediary</b> (if your relevant intermediary has not already contacted you)
<b>I do not wish to attend the EGM, but wish to <u>appoint third party proxy(ies)</u></b>	<p><b>Submit Proxy Form</b> appointing third party proxy(ies) via the pre-registration website, via email or by post <u>by 2.00 p.m. on Wednesday, 7 September 2022</u></p> <p><b>Pre-register your proxy(ies)</b> for the Physical Meeting or the Virtual Meeting at the pre-registration website <u>by 2.00 p.m. on Wednesday, 7 September 2022</u></p> <p>Your proxy(ies) can <b>ask questions and vote live at the EGM</b> by attending the Physical Meeting or accessing EGM proceedings via the live audio-visual webcast at <u>2.00 p.m. on Friday, 9 September 2022</u></p>	Not applicable	Not applicable

## 10.8 Key dates and deadlines for the EGM

The table below sets out the key dates and deadlines for Stapled Securityholders, including CPF and SRS investors to note:

Key dates	Actions
<b>15 August 2022 (Monday)</b>	Stapled Securityholders (including CPF and SRS investors) may begin to pre-register themselves or, where applicable, their appointed proxy(ies) for the EGM at the pre-registration website at <a href="https://investor.ascottresidencetrust.com/agm_egm.html">https://investor.ascottresidencetrust.com/agm_egm.html</a> .
<b>2.00 p.m. on 31 August 2022, Wednesday</b>	Deadline for CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM to approach their respective CPF Agent Banks or SRS Operators and to submit their votes.
<b>2.00 p.m. on 6 September 2022, Tuesday</b>	Deadline for Stapled Securityholders (including CPF and SRS investors) to submit questions in advance of the EGM.
<b>2.00 p.m. on 7 September 2022, Wednesday</b>	Deadline for Stapled Securityholders (including CPF and SRS investors) to: <ul style="list-style-type: none"> <li>• pre-register for the EGM; and</li> <li>• submit instruments appointing a proxy(ies) for the EGM.</li> </ul>
<b>8.00 p.m. on Thursday, 8 September 2022</b>	Authenticated Stapled Securityholders (including CPF and SRS investors), or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered will receive the Confirmation Email for Physical Meeting or Confirmation Email for Virtual Meeting.  Stapled Securityholders (including CPF and SRS investors) who have (or have been) pre-registered by 7 September 2022, 2.00 p.m. deadline, but have not received the Confirmation Email for Physical Meeting or Confirmation Email for Virtual Meeting by 8.00 p.m. on Thursday, 8 September 2022, should immediately contact ART's Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at <b>(65) 6536-5355</b> (during office hours) or via email at <a href="mailto:ART@boardroomlimited.com">ART@boardroomlimited.com</a> .
<b>Date and time of the EGM – 2.00 p.m. on 9 September 2022 (Friday)</b>	<p><u>Physical Meeting</u></p> <ul style="list-style-type: none"> <li>• Stapled Securityholders (including CPF and SRS investors) or, where applicable, their appointed proxy(ies) with the Confirmation Email for Physical Meeting to attend the Physical Meeting.</li> </ul> <p><u>Virtual Meeting</u></p> <ul style="list-style-type: none"> <li>• Click on the link in the Confirmation Email for Virtual Meeting and follow the instructions to access the live audio-visual webcast of the EGM proceedings and to ask questions and vote live at the EGM via the audio-visual webcast platform; or</li> <li>• Call the telephone number in the Confirmation Email for Virtual Meeting and follow the instructions to access the live audio-only stream of the EGM proceedings.</li> <li>• Stapled Securityholders (including CPF and SRS investors) or, where applicable, their appointed proxy(ies) must access the EGM proceedings via the live audio-visual webcast in order to ask questions and vote live at the EGM, and will not be able to do so via the audio-only stream of the EGM proceedings.</li> </ul>

## 10.9 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the Managers may be required to change the arrangements for the EGM at short notice. Stapled Securityholders should check ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) or the SGX website at <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the EGM.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Transactions, ART and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

## 12. CONSENTS

The IFA and each of the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Summary Valuation Certificates and all references thereto, in the form and context in which they are included in this Circular.

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 10.00 a.m. to 5.00 p.m. at the registered office of the Managers at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912<sup>64</sup> from the date of this Circular up to and including the date falling 3 months after the date of this Circular:

- (a) the Sale and Purchase Agreements;
- (b) the IFA Letter;
- (c) the full valuation reports of the Properties;
- (d) the 2021 Audited Consolidated Financial Statements; and
- (e) the written consents of the IFA and each of the Independent Valuers.

Yours faithfully,

**Ascott Residence Trust Management Limited** (as manager of Ascott Real Estate Investment Trust)

Tan Beng Hai, Bob  
Chairman

**Ascott Business Trust Management Pte. Ltd.** (as trustee-manager of Ascott Business Trust)

Tan Beng Hai, Bob  
Chairman

<sup>64</sup> Prior appointment with the Managers is required. Please contact the Managers' Investor Relations team (Tel: +65 6713 2888).

## INDEPENDENT FINANCIAL ADVISER'S LETTER

### DELOITTE & TOUCHE CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)  
Company Registration Number: 200200144N

15 August 2022

The Independent Directors and Audit Committee  
Ascott Residence Trust Management Limited  
(as Manager of Ascott Real Estate Investment Trust)  
168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912

The Independent Directors and Audit Committee  
Ascott Business Trust Management Pte. Ltd.  
(as Trustee-Manager of Ascott Business Trust)  
168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912

DBS Trustee Limited  
(in its capacity as Trustee of Ascott Real Estate Investment Trust)  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

Dear Sirs

#### THE PROPOSED ACQUISITION OF INTERESTS IN SERVICED RESIDENCE PROPERTIES IN FRANCE, VIETNAM AND AUSTRALIA, RENTAL HOUSING PROPERTIES IN JAPAN AND A STUDENT ACCOMMODATION PROPERTY IN SOUTH CAROLINA, US AT AN AGGREGATE PURCHASE CONSIDERATION OF S\$215.2 MILLION FROM INTERESTED PERSONS AND ENTRY INTO MASTER LEASES, MANAGEMENT AGREEMENTS AND FRANCE LOAN ASSIGNMENT DOCUMENTS

*For the purpose of this letter ("**IFA Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 15 August 2022 to the holders of the stapled securities of Ascott Residence Trust (the "**Circular**").*

#### 1. Introduction

##### 1.1. The Acquisitions

Ascott Residence Trust ("**ART**") is a stapled group comprising Ascott Real Estate Investment Trust ("**Ascott Reit**") and Ascott Business Trust ("**Ascott BT**"). Ascott Residence Trust Management Limited, as manager of Ascott Reit (the "**Ascott Reit Manager**") and Ascott Business Trust Management Pte. Ltd., as trustee-manager of Ascott BT (the "**Ascott BT Trustee-Manager**", collectively with the Ascott Reit Manager, the "**Managers**") have identified the following properties as being suitable for acquisition (the "**Target Properties**"):

- (a) La Clef Tour Eiffel, a serviced residence located at Paris (75016) 83-85 avenue Kléber/11bis and 13 rue Magdebourg, France (excluding the France Excluded Units, the "**France Property**") through the acquisition by The Ascott (Europe) N.V. (the

**“France Purchaser”**) from Ascott Holdings (Europe) N.V. (the **“France Vendor”**) of (i) a 100.0% interest in Ascott Holdings (France) SAS (which owns a 99.99% interest in Ascott Kleber SNC, which in turn owns a 100.0% interest in the France Property); and (ii) a 0.01% interest in Ascott Kleber SNC, for a purchase consideration of €49.4<sup>1</sup> million (equivalent to approximately S\$71.7 million);

(b) the portfolio comprising:

- (i) Marunouchi Central Heights, a rental housing property located at 2305, Marunouchi 3-chome, Naka-ku, Nagoya-shi, Japan (the **“Marunouchi Property”**);
- (ii) House Saison Shijo-Dori, a rental housing property located at 47-3, 47, 47-2, 47-4, 47-5, 47-6, 47-7, 49, Kasaboko-cho, Shijo-dori Aburanokoji Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan and 532-2, 532-3, 534, 536-2, 538-2, Ishiizutsu-cho, Aburanokoji-dori Shijo-kudaru, Shimogyo-ku, Kyoto-shi, Japan (the **“House Saison Property”**);
- (iii) S-Residence Shukugawa, a rental housing property located at 36-1, Kamizono-cho, Nishinomiya-shi, Japan (the **“S-Residence Shukugawa Property”**);
- (iv) S-Residence Namba Viale, a rental housing property located at 9-2, Motomachi 3-chome, Naniwa-ku, Osaka-shi, Japan (the **“S-Residence Namba Viale Property”**); and
- (v) S-Residence Gakuenzaka, a rental housing property located at 2-1-1, Naniwa-ku, Osaka-shi, Japan (the **“S-Residence Gakuenzaka Property”**, together with the Marunouchi Property, the House Saison Property, the S-Residence Shukugawa Property and the S-Residence Namba Viale Property, the **“Japan Properties”**),

through the acquisition by ARC-CapitaLand Three TMK (the **“Japan Purchaser”**) from ARC-CapitaLand Two TMK (the **“Japan Vendor”**) of 100% of the trust beneficial interests (**“TBI”**) in respect of each of the Japan Properties for a purchase consideration of ¥7.035 billion (equivalent to approximately S\$75.8 million);

- (c) Somerset Central TD Hai Phong City, a serviced residence located at Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam (the **“Vietnam Property”**) through the acquisition by Somerset Central TD Pte. Ltd., a wholly-owned subsidiary of Ascott Reit (the **“Vietnam Purchaser”**) from Vibrant Coral Overseas Inc. (the **“Vietnam Vendor”**) of a 100.0% interest in Somerset Central TD Company Limited (which owns a 100.0% interest in the Vietnam Property) for a purchase consideration of VND208.2 billion (equivalent to approximately S\$12.5 million);

<sup>1</sup> This figure is arrived at by deducting the amount of the France Loan assigned to the Trustee by Ascott Holdings (Europe) Pte. Ltd. under the France Loan Amendment and Restatement Agreement (see paragraph 3.5.1 of the Letter to Stapled Securityholders for further details), being €49.5 million (equivalent to approximately S\$71.8 million), from the amount stated in paragraph 3.6(a)(i) of the Letter to Stapled Securityholders. Such amount is deducted in determining the purchase consideration payable to the France Vendor for the France Acquisition as the Trustee will be stepping in as borrower upon completion of the France Acquisition to assume the obligations under the France Loan granted by Oversea-Chinese Banking Corporation, Limited (which is not a loan taken by Ascott Holdings (France) SAS or Ascott Kleber SNC) as part of the France Acquisition.

- (d) Standard at Columbia, a student accommodation property located at 1401 Assembly Street, Columbia, South Carolina 29201, United States of America (the “**US Property**”) through the acquisition by Ascott REIT PBSA Pte. Ltd., a wholly-owned subsidiary of Ascott Reit (the “**US Purchaser**”) from TAHL PBSA Venture Pte. Ltd. (the “**US Vendor**”) of a 50.0% interest in Columbia PBSA Venture Pte. Ltd. (which owns a 100.0% interest in Columbia Student Venture REIT LLC, which in turn owns a 90.0% interest in Columbia Student Venture, LLC, which in turn owns a 100.0% interest in Columbia Student Property Owner, LLC, which in turn owns a 100.0% interest in the US Property) for a purchase consideration of USD19.9<sup>2</sup> million (equivalent to approximately S\$27.7 million); and
- (e) Quest Cannon Hill, a serviced residence located at 930 Wynnum Road, Cannon Hill, Brisbane, Queensland 4170, Australia (the “**Australia Property**”) through the acquisition by One AR Pty Ltd (in its capacity as trustee of Ascott REIT Cannon Hill Trust) (the “**Australia Purchaser**”) from Balsamine (Brisbane) Pty Ltd (the “**Australia Vendor**”) of a 100.0% interest in the Australia Property for a purchase consideration of AUD28.5 million (equivalent to approximately S\$27.5 million),

and the aggregate purchase consideration for the Acquisitions is S\$215.2 million (the “**Aggregate Purchase Consideration**”).

Please refer to paragraph 3 of the Letter to Stapled Securityholders in the Circular for further details.

## 1.2. The Master Leases

- (a) The France Master Lease

Upon completion of the Acquisitions, Ascott Kleber SNC shall enter into a master lease in respect of the France Property (excluding the restaurant unit of the France Property) with Citadines Arc de Triomphe Operating SAS (the “**France Master Lessee**”), a wholly-owned subsidiary of The Ascott Limited (“**TAL**”, and the master lease, the “**France Master Lease**”), pursuant to which Ascott Kleber SNC shall grant the France Master Lease to the France Master Lessee for a term of 10 years, commencing from the date of completion of the Acquisitions. Under the France Master Lease, the France Master Lessee will waive its right to unilaterally terminate the France Master Lease at the end of every 3-year period of the France Master Lease. In addition, the France Master Lessee shall provide a rent guarantee of up to €242,000 per annum in relation to the restaurant unit of the France Property commencing on the date of completion of the Acquisitions and ending on 31 December 2025 (the “**France Rent Guarantee**”).

- (b) The Japan Master Leases

Upon completion of the Acquisitions, DB Trust Company Limited Japan (currently known as Sanne Group Japan Trust Company Limited) as the trustee in respect of the TBI in relation to each of the Japan properties (“**DB Trust**”) shall enter into separate master lease agreements including supplementals to the existing master leases (the “**Japan Master Leases**”) with Japan Residence One YK (the “**Japan Master Lessee**”), pursuant to which all of the Japan Properties are leased to the Japan Master

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<sup>2</sup> ART currently owns a 50.0% interest in Columbia PBSA Venture Pte. Ltd., which is equivalent to a 45.0% effective interest in the US property.

Lessee (being Japan Residence One YK<sup>3</sup>, as the “pass-through” master lessee under each of the Japan Master Leases). The use of the “pass-through” master lessee is to facilitate lease administration. The Japan Properties are in turn leased to individual end tenants by the Japan Master Lessee.

(c) The Australia Master Lease

Upon completion of the Acquisitions, the existing master lease agreement between the Australia Vendor and Quest Cannon Hill Tenancy Pty Ltd (the “**Australia Master Lessee**”), a wholly-owned subsidiary of TAL, in relation to the Australia Property (the “**Australia Master Lease**”) shall be assigned by the Australia Vendor to the Australia Purchaser.

The Australia Master Lease is for an initial term of 10 years commencing on 11 June 2018 and ending on 10 June 2028, subject to renewals for up to 3 further terms of 5 years each at the Australia Master Lessee’s option.

Please refer to paragraph 3.10 of the Letter to Stapled Securityholders in the Circular for further details, on the France Master Lease, the Japan Master Leases and the Australia Master Lease (collectively, the “**Master Leases**”).

### 1.3. The Management Agreements

(a) The Vietnam SR Management Agreement

Upon completion of the Acquisitions, the Vietnam Property will be managed and operated by Ascott International Management (Vietnam) Co., Ltd (“**AIMVCL**”), a wholly-owned subsidiary of TAL. Somerset Central TD Company Limited will enter into a new serviced residence management agreement with AIMVCL in relation to the Vietnam Property, pursuant to which AIMVCL will be engaged as the manager of the Vietnam Property to operate, manage, promote, market and maintain the Vietnam Property for and on behalf of Somerset Central TD Company Limited during the term of the agreement (the “**Vietnam SR Management Agreement**”).

(b) The Amended Pre-Existing Asset Management Agreement

The amended and restated asset management agreement dated 25 December 2020 was entered into between CapitaLand (Japan) Kabushiki Kaisha (“**CJKK**”), a wholly-owned subsidiary of CapitaLand, and the Japan Purchaser prior to the Acquisitions (the “**Pre-Existing Asset Management Agreement**”), pursuant to which the Japan Purchaser appointed CJKK as the asset manager for the portfolio of certain properties of the Japan Purchaser in Japan. Upon completion of the Acquisitions, the Pre-Existing Asset Management Agreement will be amended to appoint CJKK as the asset manager for the portfolio of properties of the Japan Purchaser enlarged to include the Japan Properties for the period commencing on the date of completion of the Acquisitions and expiring on 24 December 2030 (the “**Amended Pre-Existing Asset Management Agreement**”).

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3 The Japan Master Lessee is a wholly-owned subsidiary of CapitaLand (see paragraph 6.2 of the Letter to Stapled Securityholders for further details in respect of CapitaLand). The Japan Master Lessee is merely a “pass-through” vehicle and the Japan Master Lessee will pay all revenue it receives from the other tenants to DB Trust as the trustee in respect of the TBI in relation to each of the Japan Properties. The Japan Master Lessee does not charge any fee or retain any amount for acting as a “pass-through” vehicle, the purpose of which is to facilitate lease administration.



(c) The Pre-Existing Property Management Agreements

The property management agreements were entered into between CJKK, a wholly-owned subsidiary of CapitaLand, and DB Trust, as the trustee in respect of the TBI in relation to each of the Japan properties, prior to the Acquisitions (the “**Pre-Existing Property Management Agreements**”, together with the Vietnam SR Management Agreement and the Amended Pre-Existing Asset Management Agreement, the “**Management Agreements**”), under which DB Trust appointed CJKK as the master property manager in respect of each of the Japan Properties. Upon completion of the acquisition of the Japan Properties, CJKK will continue to be the property manager in respect of each of the Japan Properties under the Pre-Existing Property Management Agreements, which will continue to subsist following the completion of the Acquisitions.

Please refer to paragraph 3.11 of the Letter to Stapled Securityholders in the Circular for further details.

**1.4. The France Loan Assignment Documents**

Pursuant to the facility agreement dated 23 November 2021 entered into between Oversea-Chinese Banking Corporation, Limited, as lender, Ascott Holdings (Europe) Pte. Ltd. as borrower, and The Ascott Holdings Limited (“**TAHL**”), as guarantor, Oversea-Chinese Banking Corporation, Limited granted a €49.5 million facility to Ascott Holdings (Europe) Pte. Ltd. for the purpose of refinancing the term loan facility granted under the facility agreement dated 28 November 2011 for the acquisition by the France Vendor of the France Property (the “**France Loan**”). Further, in connection with the France Loan, Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd (a wholly-owned subsidiary of TAL) entered into an interest rate swap agreement for €29.5 million dated 22 December 2021 (the “**France IRS**”). In connection with, and on completion of, the France Acquisition, the Trustee shall enter into (A) the amendment and restatement agreement with Ascott Holdings (Europe) Pte. Ltd., Oversea-Chinese Banking Corporation, Limited and TAHL (the “**France Loan Amendment and Restatement Agreement**”) to provide for, *inter alia*, the accession of the Trustee, as incoming borrower, and the discharge of (1) Ascott Holdings (Europe) Pte. Ltd., as outgoing borrower, and (2) TAHL, as outgoing guarantor, on the terms and subject to the conditions of the France Loan Amendment and Restatement Agreement; and (B) the novation agreement with Oversea-Chinese Banking Corporation, Limited and The Ascott Capital Pte Ltd in relation to the novation of the rights and obligations under the France IRS from The Ascott Capital Pte Ltd to the Trustee (the “**France Loan IRS Novation Agreement**”, and together with the France Loan Amendment and Restatement Agreement, collectively, the “**France Loan Assignment Documents**”).

## 1.5. Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, CapitaLand (a) directly and/or through its wholly-owned subsidiaries and through its interest in each of the Managers, has direct and deemed interests of approximately 39.2% in ART, and (b) wholly owns each of the Managers, and is therefore regarded as a Controlling Unitholder of Ascott Reit and a Controlling Shareholder of the Ascott Reit Manager under the Property Funds Appendix, and a Controlling Stapled Securityholder of ART and a Controlling Shareholder of each of the Managers under the Listing Manual.

CapitaLand holds:

- (a) a 100.0% interest in the France Vendor through Ascott Holdings (Europe) Pte. Ltd., a wholly-owned subsidiary of TAHL, which is in turn a wholly-owned subsidiary of CapitaLand;
- (b) a 88.9% interest in the Japan Vendor through CRL Investment Pte. Ltd., a wholly-owned subsidiary of Ascott Investment Holdings Ltd., which is in turn a wholly-owned subsidiary of TAHL, a wholly-owned subsidiary of CapitaLand;
- (c) a 100.0% interest in the Vietnam Vendor through Ascott Investment Holdings Ltd., a wholly-owned subsidiary of TAHL, which is in turn a wholly-owned subsidiary of CapitaLand;
- (d) a 100.0% interest in the US Vendor through TAHL, a wholly-owned subsidiary of CapitaLand; and
- (e) a 100.0% interest in the Australia Vendor through TAHL, a wholly-owned subsidiary of CapitaLand.

The Master Lessees, the Property Managers, Ascott Holdings (Europe) Pte. Ltd. and The Ascott Capital Pte Ltd are wholly-owned subsidiaries of CapitaLand. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendors, the Master Lessees, the Property Managers, Ascott Holdings (Europe) Pte. Ltd. and The Ascott Capital Pte Ltd are Interested Persons<sup>4</sup> and Interested Parties<sup>5</sup> of ART. As such, the Acquisitions, and the entry into the Master Leases, the Management Agreements and the France Loan Assignment Documents (the “**IPT Transactions**”) will constitute Interested Person Transactions under Chapter 9 of the Listing Manual and/or Interested Party Transactions under Paragraph 5 of the Property Funds Appendix for which Stapled Securityholders’ approval is required.

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4 The Listing Manual states that in the case of a REIT, the term “interested person” shall have the meaning ascribed to the term “interested party” in the Code on Collective Investment Schemes, namely:

- (a) a director, chief executive officer or Controlling Shareholder of the REIT manager;
  - (b) the REIT manager, the trustee or controlling unitholder of the REIT; or
  - (c) an associate of any of the persons or entities in (a) or (b) above,
- as each such term is defined in the Code on Collective Investment Schemes.

5 As defined in the Property Funds Appendix, the term “Interested Party” means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or controlling unitholder of the property fund.

We, Deloitte & Touche Corporate Finance Pte. Ltd. ("**DTCF**"), have been appointed as independent financial adviser (the "**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Managers (the "**Independent Directors**"), the Audit Committee of the Managers (the "**Audit Committee**") and DBS Trustee Limited, in its capacity as trustee of Ascott Reit, on whether the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders.

This IFA Letter, which sets out our evaluation for the Independent Directors, the Audit Committee and the Trustee in respect of this engagement, is an integral part of the Circular.

## **2. Terms of Reference**

Our responsibility is to provide our opinion as to whether the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders.

We were neither a party to the negotiations entered into by ART in relation to the IPT Transactions nor were we involved in the deliberations leading up to the decision on the part of the Managers to undertake the IPT Transactions.

We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the IPT Transactions. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Managers (the "**Directors**"), the Managers and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of ART. We do not express any view as to the price at which the Stapled Securities may trade upon completion of the IPT Transactions on the future value, financial performance or condition of ART after the IPT Transactions.

It is also not within our terms of reference to compare the merits of the IPT Transactions to any alternative arrangements that were or may have been available to ART. Such comparison and consideration remain the responsibility of the Directors, the Managers and their advisers.

In the course of our evaluation, we have held discussions with the management of the Managers (the "**Management**"), and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the Management. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made, and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of ART, Ascott Reit, Ascott BT or the IPT Transactions. We have been furnished with the independent valuation reports (the “**Independent Valuation Reports**”) in relation to the Target Properties prepared by CBRE Singapore, CBRE France, CBRE Japan, CBRE Vietnam, CBRE US, CBRE Australia (collectively, “**CBRE**”), HVS London, HVS Singapore (collectively, “**HVS**”) and JLL (collectively, CBRE, HVS and JLL are known as the “**Independent Valuers**”). With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of the assets concerned and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Stapled Securityholders should take note of any announcements relevant to their considerations of the IPT Transactions which may be released by the Managers after the Latest Practicable Date.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Stapled Securityholders. As the Stapled Securityholders will have different investment objectives, we advise the Independent Directors to recommend that any Stapled Securityholders who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

This IFA Letter is prepared pursuant to Listing Rule 921(4)(a) as well as for the benefit and use by the Trustee, Independent Directors and the Audit Committee and will be incorporated as an Appendix to the Circular. The Managers may not reproduce, disseminate or quote this IFA Letter or any part thereof for any purpose, other than for matters relating to the IPT Transactions, without our prior written consent in each instance.

Our opinion is addressed expressly to the Independent Directors, the Audit Committee and the Trustee for their benefit and deliberation in connection with and for the purpose of their consideration of the IPT Transactions. Any recommendation made by the Independent Directors to the Stapled Securityholders in respect of the IPT Transactions shall remain the responsibility of the Independent Directors. Our opinion in relation to the IPT Transactions, as set out under paragraph 4 of this IFA Letter should be considered in the context of the entirety of our advice.

### **3. Evaluation of the IPT Transactions**

In reaching our recommendation in relation to the IPT Transactions, we have taken into consideration, from a financial point of view, whether the terms of the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders. We have given due consideration to the following factors in our evaluation:

- (i) The rationale for and benefits of the Transactions (including the IPT Transactions);
- (ii) Valuations, valuation approaches and assumptions adopted by the Independent Valuers of the Target Properties;

- (iii) Comparison of the Australia Acquisition with selected transactions involving hospitality properties in Brisbane, Australia;
- (iv) Comparison of the France Acquisition with selected transactions involving hospitality properties in France;
- (v) Comparison of the Japan Acquisition with selected transactions involving rental housing properties in Japan;
- (vi) Comparison of the US Acquisition with selected transactions involving student accommodation properties in the US;
- (vii) Comparison of the Vietnam Acquisition with selected transactions involving hospitality properties in Vietnam;
- (viii) The EBITDA yield of the Target Properties as compared to the existing portfolio of ART;
- (ix) Comparison of the Australia Master Lease with master leases of comparable hospitality properties in Brisbane, Australia;
- (x) Comparison of the France Master Lease with master leases of comparable hospitality properties in France and review of the France Rent Guarantee;
- (xi) Comparison of the key terms of the Amended Pre-Existing Asset Management Agreement with asset management agreements of Japan REITs focusing on rental housing properties in Japan;
- (xii) Comparison of the Vietnam SR Management Agreement with serviced residence management agreements of comparable hospitality properties in Vietnam;
- (xiii) Key terms of the France Loan Assignment Documents; and
- (xiv) The *pro forma* financial effects of the Transactions (including the IPT Transactions).

### 3.1 The rationale for and benefits of the Transactions

The Managers' view of the rationale for and benefits of the Transactions (including the IPT Transactions) are set out in paragraph 1.2 of the Letter to Stapled Securityholders in the Circular.

We have reproduced below excerpts of these sections in respect of the Transactions:

#### **(a) Enhance DPS to Stapled Securityholders**

*On a FY2021 pro forma basis, total distribution is expected to increase by S\$9.2 million following the Acquisitions. Assuming the total acquisition cost of S\$263.5 million is approximately 54.0% funded by debt, FY2021 DPS is expected to increase from 4.32 cents to 4.44 cents, translating to a DPS accretion of 2.8%<sup>6</sup>.*

<sup>6</sup> Please refer to paragraph 5 of the Letter to Stapled Securityholders in the Circular for further details, including the DPS and DPS accretion sensitivity analysis at various issue prices and numbers of the Stapled Securities issued under the Private Placement.

**(b) Consolidate ART's position as the largest hospitality trust in Asia Pacific**

As at 31 December 2021, ART's assets under management ("**AUM**") was S\$7.7 billion. Including the Acquisitions, ART's AUM is expected to increase by a further S\$0.4 billion (which is equivalent to a 5.2% increase) to S\$8.1 billion, on a pro forma basis. In the first quarter of FY2022, ART completed the acquisition of Paloma Kent (formerly known as Latitude at Kent) and announced the turnkey acquisition of 4 rental housing properties and 1 student accommodation property in Japan, which boosts the AUM by S\$0.2 billion. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the AUM will increase by 7.8% to S\$8.3 billion, comprising 107 properties<sup>7</sup>.

The asset value<sup>8</sup> of the France Acquisition, Japan Acquisition, Vietnam Acquisition, US Acquisition, and Australia Acquisition each represent 43.0%, 22.0%, 7.0%, 20.0% and 8.0% respectively of the total asset value of the Acquisitions.

With the Acquisitions, ART will remain Asia Pacific centric with total assets in Asia Pacific comprising around 61.0% of ART's total assets, and Europe and the Americas comprising around 20.0% and 19.0% respectively. A geographically diversified portfolio ensures that there is no concentration risk in any country, providing Stapled Securityholders with income resilience at different points of the market cycle. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the total assets contribution from Asia Pacific, Europe and the Americas is 62.0%, 19.0% and 19.0% respectively.

**(c) Increase income resilience with higher proportion of stable income**

In FY2021, the proportion of ART's stable and growth income<sup>9</sup> was 69.0% and 31.0% respectively. In line with the Managers' strategy to build a base of stable income streams, the Acquisitions are expected to increase the proportion of ART's stable income from 69.0% to 70.0% on a pro forma basis, as stable income accounts for 92.0% of the gross profit contribution of the Properties acquired under the Acquisitions<sup>10</sup>. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, the proportion of ART's stable income, on a pro forma basis, will increase to 71.0%<sup>11,12</sup>.

**Master Leases** – The France Property (excluding the Restaurant Unit) and Australia Property have master lease arrangements with fixed rents (revised annually<sup>13</sup>) which provide Stapled Securityholders with certainty of income.

7 Namely, 57 serviced residence properties, 18 hotels, 23 rental housing properties and 9 student accommodation properties.

8 Refers to total capitalised costs including outstanding development cost and capitalised interest expense.

9 Stable income sources include master leases, management contracts with minimum guaranteed income ("**MCMGI**"), rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels. As at 31 March 2022, ART has 31 master leases, 4 MCMGI, and 58 management contracts.

10 Growth income accounts for the remaining 8.0%.

11 The remaining 29.0% is attributable to growth income.

12 Following the Acquisitions and acquisitions announced and/or completed up to 31 March 2022, ART will have 33 master leases, 4 MCMGI and 68 management contracts.

13 The France Master Lease is subject to annual rent revision pegged to the French Commercial Rent Index. The Australia Master Lease's rent increase is fixed at 3.0% per year until a rent review in the 6th year of the lease term.



**Longer-stay Assets** – The Japan Properties and US Property are also expected to generate stable income due to their long length of stay. The Japan Properties serve mostly the corporate, domestic and long-stay segments, which have a long average length of stay of about 2 years. The US Property, upon completion, will offer income stability to the portfolio as the student accommodation asset class is counter-cyclical and has an average length of stay of about 1 year. Rental housing and student accommodation properties offer income stability as the tenants are less likely to relocate even during times of uncertainty. ART's existing rental housing and student accommodation properties were resilient during COVID-19, with high average occupancies of above 95.0%.

While the Vietnam Property is under a management contract, its long-stay corporate guest profile with an average length of stay of 11 months in 2021 is also expected to offer a stable stream of income to ART.

**(d) Increase investment in the attractive longer-stay asset class**

In line with the Managers' strategy to increase ART's asset allocation in longer-stay properties (rental housing properties and student accommodation) to 25% – 30% in the medium term, the Acquisitions are expected to increase the proportion of longer-stay properties from 17.0%<sup>14</sup> to 19.0% of ART's portfolio value<sup>15</sup>.

**Rental Housing** – Rental housing properties in Japan typically serve guests from the local Japanese corporate and long-stay segments. With housing prices in Japan rising faster than wages, renting is preferred over home ownership. In addition, some regional cities including Osaka are expected to attract more relocations on the back of mega-scale projects and events such as the Expo 2025. Supported by an expanding economy, rents in major Japan markets are expected to continue to grow.

The Japan Properties have long lease tenures of about 2 years and serve the local Japanese corporate and long-stay market segments that are less likely to relocate even during times of uncertainty. As such, although under management contracts, the Acquisitions will enhance the income stability of ART's portfolio. ART's 14 existing rental housing properties were resilient and registered an average occupancy of above 95.0% in FY2021, despite COVID-19.

As at 31 December 2021, ART's rental housing portfolio comprised 14 properties located across various cities in Japan, including Tokyo, Osaka, Kyoto, Fukuoka, Hiroshima and Sapporo. In March 2022, ART announced the turnkey acquisition of 4 rental housing properties in Japan, which are expected to complete between 4Q 2022 and 2Q 2023. Including the turnkey acquisitions, the acquisition of the Japan Properties will further expand ART's footprint in the Japan rental housing sector to 23 properties, while entering 2 new markets, Nagoya and Hyogo.

<sup>14</sup> Portfolio value is based on property valuations as at 31 December 2021, value of acquisitions announced and/or completed up to 31 March 2022 and and properties under development.

<sup>15</sup> The remaining ART portfolio value is attributable to serviced residences and hotels, namely, 83.0% (prior to the Acquisitions) and 81.0% (after the Acquisitions).

**Student Accommodation** – Student accommodation is a defensive asset class as education is less correlated to economic and hospitality cycles. Student accommodation properties typically have an average length of stay of about 1 year. Prime assets are located within walking distance to reputable universities, or universities with an elite college athletics status. Similar to its rental housing properties, ART's existing student accommodation properties were resilient despite the COVID-19 pandemic and registered high occupancies in FY2021.

The US Property is within walking distance to the campus of the prestigious University of South Carolina. The university is the largest in the state of South Carolina, with over 35,000 students enrolled and growing. In June 2021, ART had acquired a 45.0% development stake in the US Property and since then, the demand for student accommodation properties in the US has grown and market capitalisation rates have compressed. Valuations by JLL and CBRE have shown a corresponding increase in the valuation of the US Property. In view of the strong fundamentals and rising interest in the student accommodation asset class, it would be opportunistic for ART to acquire an additional 45.0% effective stake of the US at an agreed property value of USD24.5 million compared to the Appraised Value of USD29.7 million. Further, for an ongoing development that has less than 1 year of construction to completion, the US Acquisition carries little residual development risk. The stabilised EBITDA yield on cost in respect of the US Property is estimated to be about 5.0%<sup>16</sup>.

(See **Appendix C** of the Circular for the market research report in relation to the rental housing market in Japan and student accommodation market in the US.)

**(e) Well-located, quality serviced residences positioned to benefit from the recovery in travel demand**

The France Property, the Australia Property, and the Vietnam Property are quality serviced residences located in key gateway cities and growth markets which are expected to benefit from the post-COVID-19 recovery in travel demand.

The France Property is a well-located luxury serviced residence within a 5-to-10-minute drive from high profile tourist districts including the Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs-Élysées. In July 2022, the France Property achieved an average occupancy of close to 80.0%, which is above pre-COVID-19 levels, and an average daily rate that surpassed pre-COVID-19 levels by over 30.0%. According to CBRE's research, the Parisian market is expected to fully recover by 2023.

The Australia Property is a serviced residence with less than 5 years of age. It is located within a retail and commercial precinct and enjoys convenient access to the city's central business district. It is a 5-minute walk to the Southgate Business Park and a 10-minute drive to the Metroplex on Gateway Estate and Port of Brisbane industrial areas. The Australia Property has achieved an occupancy of about 95.0% in July 2022, exceeding pre-COVID-19 levels. According to CBRE's research, demand and occupancy levels in Brisbane are expected to increase in the coming years, underpinned by infrastructure projects such as the Queens Wharf Precinct Development (AUD3.6 billion), Herston Quarter Staged Project (AUD1.1 billion), a new international cruise terminal (AUD177 million), and the New Performance Arts Venue (AUD125 million).

<sup>16</sup> Stabilised EBITDA is based on JLL's valuation report for the US Property on a stabilised basis. The cost of development is based on the agreed property value of the US Property plus outstanding construction cost and capitalised interest expense for the development.

*The Vietnam Property is a serviced residence located in the growth city of Hai Phong. Hai Phong is the third largest city and one of the largest industrial hubs and ports of Vietnam. According to CBRE's research, Hai Phong surpassed Ho Chi Minh City, Hanoi and Binh Duong in 2021 in attracting foreign investment, with a registered capital of more than USD5.3 billion, nearly 3.5 times higher than the same period in 2020. A 10-minute drive from the Cat Bi International Airport and 15-minute drive from 3 industrial parks – Deep C, Dinh Vu and South Dinh Vu Industrial Zone, the Vietnam Property is well-positioned to capture the demand arising from foreign direct investment and business activities in the city. The Vietnam Property achieved an occupancy of more than 90.0% in July 2022, which is in line with pre-COVID-19 levels. According to CBRE's research, market revenue per available room ("RevPARs") in Hai Phong are expected to gradually improve over the medium to long term, on the back of demand from rising foreign direct investment and business activity. New infrastructure developments which are expected to drive this demand include the addition of nine seaport terminals between 2020 and 2025 and a new terminal in Cat Bi Airport that will raise total capacity of the airport to 8 million passengers per annum by 2025. As the only growth income asset in the Acquisition, the EBITDA yield of the Vietnam Property is estimated to be approximately 9.7%<sup>17</sup> based on the historical pre-COVID-19 EBITDA levels in 2019.*

**(f) Opportunity to acquire green, sustainably managed properties**

*The France Property, the Vietnam Property and the Australia Property are expected to be green certified by 2023. The US Property, upon completion, will also be green certified. Including the Acquisitions, ART's proportion of green certified properties<sup>18</sup> is expected to increase from 35.0%<sup>19</sup> to 38.0%, in line with ART's target to green 50% of the portfolio by 2025.*

### **3.2 Valuation, valuation approaches and assumptions adopted by the Independent Valuers of the Target Properties**

The Trustee has commissioned independent property valuers, HVS and JLL to value the Target Properties, while the Ascott Reit Manager has appointed CBRE to value the Target Properties. The valuation summary is set out in Appendix B of the Circular. We recommend that the Independent Directors and the Audit Committee advise the Stapled Securityholders to read this section of the Circular carefully.

<sup>17</sup> Based on 2019 EBITDA and the agreed property value of the Vietnam Property.

<sup>18</sup> Based on gross floor area of ART's properties by sq m.

<sup>19</sup> As at May 2022.

We set out below definitions of the key terms that have been adopted by the Independent Valuers in relation to the Target Properties:

### Standards and definitions adopted by the Independent Valuers

Definitions	
<b>Valuation Standards</b>	For the Australia, France and Vietnam properties, the Independent Valuers' reports have been prepared in accordance with the International Valuation Standards. For the Japan properties, the Independent Valuers' reports have been prepared in accordance with "Chapter" 3 of 'Practical Theory' of Japan's authorised Real Estate Valuation Standards (notified by the vice minister of Ministry of Land Infrastructure and Transport dated April 2, 2007). For the US Property, the Independent Valuers' reports have been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994.
<b>Market Value ("MV")</b>	Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Sources: The Independent Valuers' reports

We set out below a brief summary of the key valuation assumptions adopted by the Independent Valuers in relation to the Target Properties:

### Key valuation assumptions adopted by the Independent Valuers

#### The Australia Property

Valuer	Valuation Methodology	Assumptions
CBRE	Discounted Cashflow	Discount Rate: 8.25%
		Terminal Cap Rate: 6.75%
	Income Capitalisation	Direct Capitalisation Rate: 6.75%
HVS	Discounted Cashflow	Discount Rate: 8.50%
		Terminal Cap Rate: 6.50%

Source: CBRE, HVS

#### The France Property

Valuer	Valuation Methodology	Assumptions
CBRE	Discounted Cashflow	Discount Rate: 4.40% <sup>(1)</sup>
		Terminal Cap Rate: 3.00% <sup>(1)</sup>
HVS	Discounted Cashflow	Discount Rate: 5.40%
		Terminal Cap Rate: 3.25%

Source: CBRE, HVS

**Note:**

- (1) For the amount of rent that is in excess of 75% of the forecast EBITDAR (i.e. earnings before interest, taxes, depreciation, amortisation, and rent), CBRE has applied a higher discount rate of 5.50% and a higher terminal cap rate of 4.10%.

The Japan Properties

Property	Valuer	Valuation Methodology	Assumptions
Marunouchi Property	CBRE	Discounted Cashflow	Discount Rate: 3.80%
			Terminal Cap Rate: 4.10%
		Income Capitalisation	Direct Capitalisation Rate: 4.10%
	HVS	Discounted Cashflow	Discount Rate: 3.80%
			Terminal Cap Rate: 4.10%
		Income Capitalisation	Direct Capitalisation Rate: 4.00%
House Saison Property	CBRE	Discounted Cashflow	Discount Rate: 3.80%
			Terminal Cap Rate: 4.10%
		Income Capitalisation	Direct Capitalisation Rate: 4.10%
	HVS	Discounted Cashflow	Discount Rate: 3.60%
			Terminal Cap Rate: 3.90%
		Income Capitalisation	Direct Capitalisation Rate: 3.80%
S-Residence Shukugawa Property	CBRE	Discounted Cashflow	Discount Rate: 4.10%
			Terminal Cap Rate: 4.40%
		Income Capitalisation	Direct Capitalisation Rate: 4.60%
	HVS	Discounted Cashflow	Discount Rate: 3.60%
			Terminal Cap Rate: 3.90%
		Income Capitalisation	Direct Capitalisation Rate: 3.80%
S-Residence Namba Viale Property	CBRE	Discounted Cashflow	Discount Rate: 3.60%
			Terminal Cap Rate: 3.90%
		Income Capitalisation	Direct Capitalisation Rate: 3.90%
	HVS	Discounted Cashflow	Discount Rate: 3.50%
			Terminal Cap Rate: 3.80%
		Income Capitalisation	Direct Capitalisation Rate: 3.70%
S-Residence Gakuenzaka Property	CBRE	Discounted Cashflow	Discount Rate: 3.60%
			Terminal Cap Rate: 3.90%
		Income Capitalisation	Direct Capitalisation Rate: 3.90%
	HVS	Discounted Cashflow	Discount Rate: 3.50%
			Terminal Cap Rate: 3.80%
		Income Capitalisation	Direct Capitalisation Rate: 3.70%

Source: CBRE, HVS

### The US Property

Valuer	Valuation Methodology	Assumptions
CBRE	Income Capitalisation	Direct Capitalisation Rate: 4.50%
JLL	Discounted Cashflow	Discount Rate: 6.50%
		Terminal Cap Rate: 5.00%
	Income Capitalisation	Direct Capitalisation Rate: 4.50%

Source: CBRE, JLL

### The Vietnam Property

Valuer	Valuation Methodology	Assumptions
CBRE	Discounted Cashflow	Discount Rate: 12.50%
		Terminal Cap Rate: 8.00%
	Income Capitalisation	Direct Capitalisation Rate: 7.75%
HVS	Discounted Cashflow	Discount Rate: 10.75%
		Terminal Cap Rate: 9.00%

Source: CBRE, HVS

We set out below a summary of market values adopted by the Independent Valuers in relation to the Target Properties and made a comparison to the agreed property values of the Target Properties as set out in paragraph 3.6 of the Letter to Stapled Securityholders in the Circular. Any differences between the average appraised values and the listed appraised values are due to rounding differences.

### The Australia Property

Property	Appraised Value		Average Appraised Value	Agreed Property Value
	CBRE (AUD'mil)	HVS (AUD'mil)	(AUD'mil)	(AUD'mil)
Quest Cannon Hill	28.3	31.2	29.7	28.5

Sources: Circular, CBRE, HVS

### The France Property

Property	Appraised Value		Average Appraised Value	Agreed Property Value
	CBRE (€'mil)	HVS (€'mil)	(€'mil)	(€'mil)
La Clef Tour Eiffel	102.9	104.5	103.7	100.3

Sources: Circular, CBRE, HVS



### The Japan Properties

Property	Appraised Value		Average Appraised Value	Agreed Property Value (¥'bil)
	CBRE (¥'bil)	HVS (¥'bil)	(¥'bil)	
Marunouchi Property	0.76	0.72	0.74	0.68
House Saison Property	2.77	2.95	2.86	2.75
S-Residence Shukugawa Property	0.77	0.80	0.78	0.71
S-Residence Namba Viale Property	1.85	1.83	1.84	1.70
S-Residence Gakuenzaka Property	1.25	1.30	1.28	1.21

Sources: Circular, CBRE, HVS

### The US Property

Property	Appraised Value		Average Appraised Value	Agreed Property Value (USD'mil)
	CBRE (USD'mil)	JLL (USD'mil)	(USD'mil)	
Standard at Columbia (value based on 100% interest as at 30 June 2022)	63.3	68.8	66.1	54.4
Value based on effective interest of 45%	28.5	31.0	29.7	24.5

Sources: Circular, CBRE, JLL

### The Vietnam Property

Property	Appraised Value		Average Appraised Value	Agreed Property Value (VND'bil)
	CBRE (VND'bil)	HVS (VND'bil)	(VND'bil)	
Somerset Central TD Hai Phong City	395.0	408.0	401.5	380.0

Sources: Circular, CBRE, HVS

We note that the agreed property value for each of the Target Properties is lower than their respective average appraised value.

### 3.3 Comparison of the Australia Acquisition with selected transactions involving hospitality properties in Brisbane, Australia

We have compiled information in respect of the transacted values and the number of rooms available (“**Price per Key**”) of the selected serviced residence and hotel properties in Brisbane, Australia in order to provide benchmarks for the Price per Key as implied by the Australia Acquisition.

When selecting the serviced residence, we have compared the Australia Property with comparable 4-star hotels and serviced residence properties in Brisbane, Australia.

We highlight that any benchmarking exercise can serve as an illustrative guide only. Further caveats should be made by the knowledge that the Comparable Australia Transacted Property (as defined below) differ from the Australia Property in many aspects, such as age, location, accessibility, profile, proximity to major venues and/or attractions, lease profile and other relevant factors.

Property	Transaction Date	Type of Property	Rating	Transacted Value (AUD'mil)	No. of Keys	Price per Key (AUD)
Oakwood Apartments Brisbane	2021	Serviced residence	4.0	41.5	162	256,173
Mantra Terrace Brisbane <sup>(1)</sup>	2021	Hotel	4.0	16.0	84	190,476
Mantra Richmond Hotel <sup>(1)</sup>	2021	Hotel	4.0	15.8	108	146,389
Quest Cannon Hill	2022	Serviced residence	4.0	28.5	100	285,000

Sources: Circular, CBRE and HVS

**Note:**

(1) Not comparable to the Australia Property due to significantly smaller average room sizes.

Oakwood Apartments Brisbane (the “**Comparable Australia Transacted Property**”) is the only comparable property to the Australia Property as Mantra Terrace Brisbane and Mantra Richmond Hotel have substantially smaller room sizes as compared to the Australia Property. Nonetheless, due to the lack of recent sales transactions in the Brisbane serviced residence property market, we have included them to serve as an illustrative guide.

Based on the table above, we note that the Price per Key of the Australia Property is higher than the Price per Key of the Comparable Australia Transacted Property. While Oakwood Apartments Brisbane is located closer to Brisbane’s Central Business District area, it is also older (built in 1997, renovated in 2009) as compared to the Australia Property, which was built in 2018.

Based on our review of the Independent Valuer Reports, we note that the Australia Property is in close proximity to a number of major corporate parks and precincts including Southgate Corporate Park, Metroplex on Gateway, Murarrie corporate precinct and the Port of Brisbane precinct. The Australia Property is located within 350m from Cannon Hill Railway Station with limited hotel competition in the surrounding area.

### 3.4 Comparison of the France Acquisition with selected transactions involving hospitality properties in France

We have compiled information in respect of the Price per Key of the selected hotel properties in Paris, France, in order to provide benchmarks for the Price per Key as implied by the acquisition of the France Property.

When selecting the hotel properties, we compared the France Property with comparable full-service upper-upscale or upscale hotels in Paris (the “**Comparable France Transacted Properties**”).

We highlight that any benchmarking exercise can serve as an illustrative guide only. Further caveats should be made by the knowledge that the Comparable France Transacted Properties differ from the France Property in many aspects, such as type of property, age, location, accessibility, profile, proximity to major venues and/or attractions, lease profile and other relevant factors.

Property	Transaction Date	Type of Property	Category	Transacted Value (€'mil)	No. of Keys	Price per Key (€)
Hotel Pont Royal	2022	Hotel	Upper-Upscale <sup>(1)</sup>	70.0	75	933,333
Hotel Bowmann	2022	Hotel	Upper-Upscale	70.0	53	1,320,755
Hotel Montalembert	2021	Hotel	Upper-Upscale	60.0	50	1,200,000
<b>Maximum</b>						<b>1,320,755</b>
<b>Mean</b>						<b>1,151,363</b>
<b>Median</b>						<b>1,200,000</b>
<b>Minimum</b>						<b>933,333</b>
La Clef Tour Eiffel	2022	Serviced residence	Upscale	100.3	112	895,536

Sources: Circular, press releases, CBRE and HVS

#### Notes:

- (1) Upper Upscale hotels are full-service hotels with high quality amenities and characterised by superior service.
- (2) Upscale hotels are full-service hotels with solid amenities and classic décor, usually including a restaurant and fitness center.

Based on the table above, we note that the Price per Key of the France Property is below the mean and median, and below the range, of the Price per Key of the Comparable France Transacted Properties.

Hotel Bowmann, Hotel Montalembert and Hotel Pont Royal traded at a relatively higher price per key as they belong to the upper-upscale hotel category. Hotel Bowmann is located within the Golden Triangle in Paris' 8th district, offering designer rooms and suites. Hotel Montalembert is located in Paris' 7th district, a 10-minute walk from The Louvre. Both of these hotels were last renovated in 2018. The France Property is located in Paris' 16th district, which is on the quieter side of Paris but still one of the prime districts. It was last renovated in 2014.

### 3.5 Comparison of the Japan Acquisition with selected transactions involving rental housing properties in Japan

We have compiled information in respect of the Price per Key and transacted value over the net rentable area (“**NRA**”, and the transacted value over NRA being “**Price per NRA**”) of the selected rental housing apartments in Japan, in order to provide benchmarks for the Price per Key and Price per NRA as implied by the acquisition of the Japan Properties.

When selecting the rental housing apartments, we compared the Japan Properties with comparable rental housing apartments in Nagoya, Kyoto, Hyogo, Osaka respectively (the “**Comparable Japan Transacted Properties**”).

Further caveats should be made by the knowledge that the Comparable Japan Transacted Properties differ from the Japan Properties in many aspects, such as age, location, accessibility, profile, proximity to major venues and/or attractions, lease profile and other relevant factors.

#### Nagoya

Property	Transaction Date	Transacted Value (¥'mil)	No. of Keys	Price per Key (¥'000)	Average room size (Tsubo)	NRA <sup>(1)</sup> (Tsubo) <sup>(2)</sup>	Price per NRA (¥'000/Tsubo)
S-Fort Kanayama	2021	612	44	13,909	9.5	418	1,466
S-Fort Yagoto	2021	442	42	10,524	7.4	310	1,428
Royal Parks Chikusa	2021	4,400	185	23,784	20.4	3,764	1,169
Esty Maison Kayaba	2021	900	27	33,333	24.3	657	1,371
Esty Maison Higashibetsuin	2021	2,190	175	12,514	8.4	1,469	1,491
<b>Maximum</b>				<b>33,333</b>			<b>1,491</b>
<b>Mean</b>				<b>18,813</b>			<b>1,385</b>
<b>Median</b>				<b>13,909</b>			<b>1,428</b>
<b>Minimum</b>				<b>10,524</b>			<b>1,169</b>
Marunouchi Property	2022	675	30	22,500	17.5	526	1,283

Sources: Circular, investor relation materials and press releases

#### Notes:

(1) Net Rentable Area.

(2) Tsubo is a Japanese unit of area equal to 3.30578 square meters.

Based on the table above, we note the following:

- (a) The Price per Key of the Marunouchi Property is above the mean and median, but within the range, of the Price per Key of the Comparable Japan Transacted Properties in Nagoya;
- (b) The Price per NRA of the Marunouchi Property is below the mean and median, and within the range, of the Price per NRA of the Comparable Japan Transacted Properties in Nagoya; and

- (c) The relatively higher Price per Key of the Marunouchi Property is due to its larger average room size than the Comparable Japan Transacted Properties in Nagoya.

#### Kyoto

Property	Transaction Date	Transacted Value (¥'mil)	No. of Keys	Price per Key (¥'000)	Average room size (Tsubo)	NRA <sup>(1)</sup> (Tsubo) <sup>(2)</sup>	Price per NRA (¥'000/Tsubo)
Campus Village Kyotofushimi	2022	1,075	95	11,316	6.9	652	1,649
Residia Kyoto-mibu	2021	614	45	13,644	9.1	409	1,500
S-Fort Kyoto Nishioji	2020	856	71	12,056	7.1	501	1,707
<b>Maximum</b>				<b>13,644</b>			<b>1,707</b>
<b>Mean</b>				<b>12,339</b>			<b>1,619</b>
<b>Median</b>				<b>12,056</b>			<b>1,649</b>
<b>Minimum</b>				<b>11,316</b>			<b>1,500</b>
House Saison Property	2022	2,747	190	14,458	8.1	1,529	1,797

Sources: Circular, investor relation materials and press releases

#### **Notes:**

- (1) Net Rentable Area.  
(2) Tsubo is a Japanese unit of area equal to 3.30578 square meters.

Based on the table above, we note the following:

- (a) The Price per Key of the House Saison Property is above the mean and median, and above the range, of the Price per Key of the Comparable Japan Transacted Properties in Kyoto; and  
(b) The Price per NRA of the House Saison Property is above the mean and median, and above the range, of the Price per NRA of the Comparable Japan Transacted Properties in Kyoto.

#### Hyogo

Property	Transaction Date	Transacted Value (¥'mil)	No. of Keys	Price per Key (¥'000)	Average room size (Tsubo)	NRA <sup>(1)</sup> (Tsubo) <sup>(2)</sup>	Price per NRA (¥'000/Tsubo)
Serenite Koshien Plie	2022	770	49	15,714	8.9	435	1,770
Starship Kobe Gakuentoshi	2022	982	106	9,264	8.0	848	1,159
<b>Maximum</b>				<b>15,714</b>			<b>1,770</b>
<b>Mean</b>				<b>12,489</b>			<b>1,464</b>
<b>Median</b>				<b>12,489</b>			<b>1,464</b>
<b>Minimum</b>				<b>9,264</b>			<b>1,159</b>
S-Residence Shukugawa Property	2022	707	33	21,424	23.3	770	918

Sources: Circular, investor relation materials and press releases

**Notes:**

(1) Net Rentable Area.

(2) Tsubo is a Japanese unit of area equal to 3.30578 square meters.

Based on the table above, we note the following:

- (a) The Price per Key of the S-Residence Shukugawa Property is above the mean and median, and above the range, of the Price per Key of the Comparable Japan Transacted Properties in Hyogo;
- (b) The Price per NRA of the S-Residence Shukugawa Property is below the mean and median and below the range of the Price per NRA of the Comparable Japan Transacted Properties in Hyogo; and
- (c) The relatively higher Price per Key of the S-Residence Shukugawa Property is due to its larger average room size than the Comparable Japan Transacted Properties in Hyogo.

Osaka

Property	Transaction Date	Transacted Value (¥'mil)	No. of Keys	Price per Key (¥'000)	Average room size (Tsubo)	NRA <sup>(1)</sup> (Tsubo) <sup>(2)</sup>	Price per NRA (¥'000/Tsubo)
Residia Nishi-tenma	2021	2,950	80	36,875	17.8	1,424	2,072
Zeku Benten	2021	506	34	14,882	9.7	331	1,530
Canis Court Kamishinjo	2021	1,359	57	23,842	14.9	848	1,602
<b>Maximum</b>				<b>36,875</b>			<b>2,072</b>
<b>Mean</b>				<b>25,200</b>			<b>1,735</b>
<b>Median</b>				<b>23,842</b>			<b>1,602</b>
<b>Minimum</b>				<b>14,882</b>			<b>1,530</b>
S-Residence Namba Viale Property	2022	1,698	116	14,638	8.4	970	1,750
S-Residence Gakuenzaka Property	2022	1,208	58	20,828	13.1	758	1,594

Sources: Circular, investor relation materials and press releases

**Notes:**

(1) Net Rentable Area.

(2) Tsubo is a Japanese unit of area equal to 3.30578 square meters.

Based on the table above, we note the following:

- (a) The Price per Key of the S-Residence Namba Viale Property is below the mean and median, and below the range, of the Price per Key of the Comparable Japan Transacted Properties in Osaka;
- (b) The Price per NRA of the S-Residence Namba Viale Property is above the mean and median, but within the range, of the Price per NRA of the Comparable Japan Transacted Properties in Osaka;



- (c) The Price per Key of the S-Residence Gakuenzaka Property is below the mean and median, and within the range, of the Price per Key of the Comparable Japan Transacted Properties in Osaka;
- (d) The Price per NRA of the S-Residence Gakuenzaka Property is below the mean and median, and within the range, of the Price per NRA of the Comparable Japan Transacted Properties in Osaka; and
- (e) The relatively higher Price per Key of the S-Residence Gakuenzaka Property is due to its larger average room size than the Comparable Japan Transacted Properties in Osaka.

### 3.6 Comparison of the US Acquisition with selected transactions involving student accommodation properties in the US

We have compiled information in respect of the transacted values and the number of beds available (“**Price per Bed**”) of the selected student accommodation properties in US, in order to provide benchmarks for the Price per Bed as implied by the acquisition of the US Property.

When selecting the student accommodation properties, we compared the US Property with comparable Grade A student accommodation properties in the US (the “**Comparable US Transacted Properties**”).

We highlight that any benchmarking exercise can serve as an illustrative guide only. Further caveats should be made by the knowledge that the Comparable US Transacted Properties differ from the US Property in many aspects, such as age, location, accessibility, profile, proximity to the university, lease profile and other relevant factors.

Property	Transaction Date	Type of Property	Investment Class	Transacted Value (USD'mil)	No. of Beds	Price per Bed (USD)
The Standard at Atlanta, GA	2021	Student Housing	A	156.2	765	204,247
Paloma West Midtown at Atlanta, GA <sup>(2)</sup>	2021	Student Housing	A	93.7	525	178,438
Stanhope Apartments at Raleigh, NC	2021	Student Housing	A	131.0	810	161,728
Paloma University City <sup>(2)</sup>	2021	Student Housing	A	65.5	251	260,956
<b>Maximum</b>						<b>260,956</b>
<b>Mean</b>						<b>201,342</b>
<b>Median</b>						<b>191,342</b>
<b>Minimum</b>						<b>161,728</b>
Standard at Columbia	2022	Student Housing	A	111.8 <sup>(1)</sup>	679	164,621

Sources: Circular, CBRE and JLL

**Notes:**

- (1) For purpose of comparison, the value for the US Property is calculated based on the sum of (i) USD24.5 million (being 45% of the agreed property value); and (ii) USD25.8 million (being 45% of the outstanding development cost and capitalised interest expense), and grossed up to a 100% basis.
- (2) Acquisitions by ART.

Based on the table above, we note that the Price per Bed of the US Property is below the mean and median, and within the range, of the Price per Bed of the Comparable US Transacted Properties.

### 3.7 Comparison of the Vietnam Acquisition with selected transactions involving hospitality properties in Vietnam

We would like to highlight that there are no comparable transactions of serviced residence and hotel properties located at Hai Phong City, Vietnam over the recent past few years. We note that Hai Phong is the third largest city and one of the largest industrial hubs and ports of Vietnam. We have compiled information in respect of the Price per Key of the selected hotel properties in other cities of Vietnam, in order to provide benchmarks for the Price per Key as implied by the acquisition of the Vietnam Property.

When selecting the hotel properties, we compared the Vietnam Property with 3-star or 4-star hotels in Vietnam (the “Comparable Vietnam Transacted Properties”).

Although there are transactions of hospitality properties in Hanoi and Ho Chi Minh City, such transacted properties differ from the Vietnam Property in many aspects, such as size, quality, location, accessibility, profile, proximity to major venues and/or attractions, lease profile and other relevant factors. Nonetheless, we highlight that the Vietnam Property is one of the few properties located at Hai Phong City that is operated under an international brand.

Property	Transaction Date	Type of Property	Rating	Transacted Value (VND'bil)	No. of Keys	Price per Key (VND'mil)
Capri by Fraser (Ho Chi Minh City)	2020	Hotel	4.0	517.7	175	2,958
Ibis Saigon South (Ho Chi Minh City)	2020	Hotel	3.0	414.2	140	2,958
Somerset West Lake (Hanoi)	2019	Hotel	4.0	331.6	90	3,684
<b>Maximum</b>						<b>3,684</b>
<b>Mean</b>						<b>3,200</b>
<b>Median</b>						<b>2,958</b>
<b>Minimum</b>						<b>2,958</b>
Somerset Central TD Hai Phong City	2022	Serviced Residence	4.0	380.0	132	2,879

Source: Circular, HVS, CBRE

Based on the table above, we note that the Price per Key of the Vietnam Property is below the mean and median, and below the range, of the Price per Key of the Comparable Vietnam Transacted Properties.

### 3.8 The EBITDA Yield of the Target Properties as compared to the Existing Portfolio of ART

In our evaluation, we have compared the pro forma EBITDA yield for FY2021 of the Target Properties to the actual EBITDA yield of comparable properties in the existing portfolio of ART for the financial year ended 31 December 2021 (the “**FY2021 EBITDA Yield**”, and the existing portfolio of ART being the “**Existing Portfolio**”). As properties in different countries typically have different EBITDA yields, it is only relevant to compare the Target Properties to comparable properties that are located in the same respective countries within the Existing Portfolio.

We also recognised that the comparable properties in the Existing Portfolio are not identical to the Target Properties in terms of building size and design, location by city and sub market, tenant composition, operating history, future prospects, remaining lease tenure and other relevant criteria. Accordingly, the Independent Directors, the Audit Committee and the Trustee should note that any comparison made with respect to the comparable properties in the Existing Portfolio serves as an illustrative guide only.

The tables below illustrate the average pro forma EBITDA yield of the Target Properties for FY2021 and the actual FY2021 EBITDA Yield of the properties in the Existing Portfolio located in each of the respective countries.

#### Australia

Property	Type of Property	FY2021 EBITDA Yield
Quest Sydney Olympic Park	Serviced Residence	7.5% <sup>(1)</sup>
Quest Campbelltown	Serviced Residence	6.6% <sup>(1)</sup>
Quest Macquarie Park	Serviced Residence	5.9% <sup>(1)</sup>
Quest Mascot	Serviced Residence	7.7% <sup>(1)</sup>
<b>Maximum</b>		<b>7.7%</b>
<b>Mean</b>		<b>6.9%</b>
<b>Median</b>		<b>7.1%</b>
<b>Minimum</b>		<b>5.9%</b>
Quest Cannon Hill	Serviced Residence	6.5%

Source: The Managers

#### **Note:**

- (1) In order to provide a like-for-like comparison with the Australia Property, adjustments have been made to the FY2021 EBITDA yields of the comparable properties in the Existing Portfolio in Australia to remove the effect of rental rebates.

Based on the table above, we note that the pro forma FY2021 EBITDA Yield of the Australia Property is below the mean and median, and within the range of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Australia.

The properties in the Existing Portfolio that are located in Australia comprise 6 hotels and 7 serviced residence properties. The Quest serviced residences in the Existing Portfolio (the “**Comparable Australia Existing Properties**”) are deemed most comparable to the Australia Property in terms of branding and quality. The comparison between the Australia Property and the Comparable Australia Existing Properties serves as an illustrative guide to provide a broad and indicative benchmark for assessing the acquisition of the Australia Property and care has to be taken in the selection and use of any individual data point for the same purpose.

## France

Property	Type of Property	FY2021 EBITDA Yield
La Clef Louvre Paris	Serviced Residence	3.8%
La Clef Tour Eiffel	Serviced Residence	3.7%

Source: The Managers

Based on the table above, we note that the pro forma FY2021 EBITDA Yield of the France Property is comparable to the FY2021 EBITDA Yield of the comparable property in the Existing Portfolio in France. For the avoidance of doubt, no rental rebates were given for La Clef Louvre Paris and the France Property in FY2021.

The properties in the Existing Portfolio that are located in Paris comprise 9 serviced residence properties, 8 of which operate under the Citadines brand and 1 operates under the La Clef brand. La Clef Louvre Paris (the “**Comparable France Existing Property**”) is deemed most comparable to the France Property in terms of branding. The comparison between the Comparable France Existing Property and the France Property serves as an illustrative guide to provide a broad and indicative benchmark for assessing the acquisition of the France Property and care has to be taken in the selection and use of any individual data point for the same purpose.

## Japan

Property	Type of Property	FY2021 EBITDA Yield
<b>Osaka:</b>		
S-Residence Hommachi Marks	Rental Housing	3.9%
S-Residence Tanimachi 9 chome	Rental Housing	4.4%
S-Residence Midoribashi Serio	Rental Housing	4.0%
S-Residence Fukushima Luxe	Rental Housing	4.1%
<b>Tokyo:</b>		
Roppongi Residences Tokyo	Rental Housing	4.1%
<b>Fukuoka:</b>		
Actus Hakata V-Tower	Rental Housing	4.9%
Infini Garden	Rental Housing	5.6%
<b>Sapporo:</b>		
Big Palace Kita 14 Jo	Rental Housing	4.7%
Alpha Square Kita 15 Jo	Rental Housing	3.9%
Big Palace Minami 5 Jo	Rental Housing	5.0%
City Court Kita 1 Jo	Rental Housing	3.9%

Property	Type of Property	FY2021 EBITDA Yield
<b>Hiroshima:</b>		
Gravis Court Kakomachi	Rental Housing	5.4%
Gravis Court Kokutaiji	Rental Housing	5.4%
Gravis Court Nishiharaekimae	Rental Housing	5.2%
<b>Maximum</b>		<b>5.6%</b>
<b>Mean</b>		<b>4.6%</b>
<b>Median</b>		<b>4.5%</b>
<b>Minimum</b>		<b>3.9%</b>
Marunouchi Property	Rental Housing	4.5%
House Saison Property	Rental Housing	4.3%
S-Residence Shukugawa Property	Rental Housing	5.0%
S-Residence Namba Viale Property	Rental Housing	4.1%
S-Residence Gakuenzaka Property	Rental Housing	4.4%

Source: The Managers

Based on the table above, we note the following:

- (a) The pro forma FY2021 EBITDA Yield of the Marunouchi Property is below the mean, equal to the median, and within the range, of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Japan;
- (b) The pro forma FY2021 EBITDA Yield of the S-Residence Namba Viale Property, the S-Residence Gakuenzaka Property and the House Saison Property, each and separately, is below the mean and median, and within the range, of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Japan;
- (c) The pro forma FY2021 EBITDA Yield of the S-Residence Shukugawa Property is above the mean and median, and within the range, of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Japan; and
- (d) We would like to highlight that capitalisation rates vary across different cities in Japan, and within each city, capitalisation rates are further adjusted for property specific characteristics such as age, condition and location. Among ART's Existing Portfolio in Japan, only the portfolio in Osaka is more comparable to S-Residence Namba Viale and S-Residence Gakuenzaka as they are located in the same city. Marunouchi, S-Residence Sjukugawa and House Saison are located in Nagoya, Hyogo, Kyoto respectively, for which there are no directly comparable properties within ART's Existing Portfolio.

## Vietnam

Property	Type of Property	FY2021 EBITDA Yield
Somerset Grand Hanoi	Serviced Residence	5.9%
Somerset Hoa Binh Hanoi	Serviced Residence	2.3%
<b>Maximum</b>		<b>5.9%</b>
<b>Mean</b>		<b>4.1%</b>
<b>Median</b>		<b>4.1%</b>
<b>Minimum</b>		<b>2.3%</b>
Somerset Central TD Hai Phong City	Serviced Residence	3.2%

Source: The Managers

We note that the pro forma FY2021 EBITDA Yield of the Vietnam Property is below the mean and median, but within the range, of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Vietnam.

The properties in the Existing Portfolio that are located in Vietnam comprise of 2 serviced residence properties in Hanoi and 2 serviced residence properties in Ho Chi Minh City. As there are no existing properties of ART that are located in Hai Phong City, the 2 serviced residence properties in Hanoi (the “**Comparable Vietnam Existing Properties**”), Somerset Grand Hanoi and Somerset Hoa Binh Hanoi, are more comparable to the Vietnam Property based on the relatively closer proximity of Hai Phong City to Hanoi.

Any such comparison can serve as an illustrative guide only and must be caveated by the knowledge that the Vietnam Property differs from the Comparable Vietnam Existing Properties in many aspects, such as location, accessibility, profile, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors.

### **3.9 Comparison of the key terms of the Australia Master Lease with Comparable Australia Master Leases**

We have compared the key terms of the Australia Master Lease with those of comparable serviced residence apartments in Brisbane, Australia that are currently operating under a master lease agreement (the “**Comparable Australia Master Leases**”).

However, we highlight that master leases are typically agreed on a case by case basis after taking into consideration the size, location and complexity in relation to a particular property. Additionally, we note that the Comparable Australia Master Leases are not exhaustive and they differ from the Australia Master Lease in terms of, *inter alia*, lease profile, property type, location of property, scope of the master lease agreements, track record of each property, local market features and other relevant criteria. As such, the comparison of the fee structures with the Comparable Australia Master Leases is strictly for reference purposes only.

Comparison of the rent payable under the Australia Master Lease with the Comparable Australia Master Leases is set out in the table below.

Property	Rating	No. of Keys	Rent Amount per Room per Month (2022) (AUD)
Quest Robina	Upscale	80	1,636
Quest Ipswich	Upscale	64	1,474
Quest Breakfast Creek	Upscale	132	1,667
<b>Maximum</b>			<b>1,667</b>
<b>Mean</b>			<b>1,592</b>
<b>Median</b>			<b>1,636</b>
<b>Minimum</b>			<b>1,474</b>
Quest Cannon Hill	Upscale	100	1,636 <sup>(1)</sup>

Sources: Circular, CBRE

**Note:**

- (1) The lease amount per room per month payable under the Australia Master Lease is based on a fixed rent of A\$1,962,665 per annum ("**Australia Fixed Rent**").

Based on the table above, we note that the rent amount per room per month is above the mean, equal to the median, and within the range, when compared to those of Comparable Australia Master Leases.

Comparison of the other key terms under the Australia Master Lease with the Comparable Australia Master Leases are set out in the table below.

Key Terms	Australia Master Lease	Comparable Australia Master Leases
Lease Duration	The lease has a 10-year initial term.	The lease duration is in line with market standards.
Rent Escalations	<p>The Australia Fixed Rent has fixed 3.0% annual increases, with a market review in year 6 of the lease (ie; June 2024), and market review on the commencement of each further option period (i.e. year 11, 16, 21).</p> <p>On the relevant review date, the lessor will serve the lessee with a notice stating the lessor's assessment of the market rent of the property. If either party does not agree to the assessed market rent, an amount will be determined by a valuer.</p>	The 3.0% fixed annual increases are in line with typical industry expectations.



Key Terms	Australia Master Lease	Comparable Master Leases	Australia
	The market rent determined by the valuer must have regard to factors including recent market rent reviews for comparable properties, provisions of the lease agreement, condition of the property and proposed refurbishment works to be completed by the lessor, etc.		
Lease Termination	Termination can occur when either party is in material breach of the terms of lease.	This is in line with market standards.	
Repair and Maintenance	General repairs and maintenance are the responsibility of the lessee. The lessor is responsible for outgoings relating to capital costs (capital or structural) and certain pre-determined refurbishment works as specified in the Australia Master Lease.	This is in line with market standards.	
Insurance	The lessee is responsible for insurance expenses relating to the property.	This is in line with market standards.	
Tax	The lessee is responsible for taxes relating to the property.	This is in line with market standards.	
Lease Renewal	There are 3 further options for renewal of 5 years each at the lessee's option (i.e. year 11, 16, 21)	This is in line with market standards.	

Sources: Circular, CBRE

Based on the table above, we note that the key terms of the Australia Master Lease are in line with those of Comparable Australia Master Leases.

### 3.10 Comparison of the key terms of the France Master Lease with Comparable France Master Leases and review of the France Rent Guarantee

We have compared the key terms of the France Master Lease with those of comparable hotels and serviced residence apartments in Paris, France that are currently operating under a master lease agreement (the “**Comparable France Master Leases**”).

However, we highlight that master leases are typically agreed on a case by case basis after taking into consideration the size, location and complexity in relation to a particular property. Additionally, we note that the Comparable France Master Leases are not exhaustive and they differ from the France Master Lease in terms of, *inter alia*, lease profile, property type, location of property, scope of the master lease agreements, track record of each property, local market features and other relevant criteria. As such, the comparison of the fee structures with the Comparable France Master Leases is strictly for reference purposes only.

Comparison of the rent payable under the France Master Lease with the Comparable France Master Leases is set out in the table below.

Property Types	Rating	No. of Keys	Rent Amount per Room per Month (2022) (€)
Serviced Residences and Hotels	Upper Upscale and Upscale	100 to 250	1,355 to 4,185
La Clef Tour Eiffel	Upscale	112	2,567 <sup>(1)</sup>

Sources: Circular, CBRE

**Note:**

(1) The lease amount per room per month payable under the France Master Lease is based on a fixed rent of €3,450,000 per annum ("**France Fixed Rent**").

Based on the table above, we note that the rent amount per room per month is within the range, when compared to those of Comparable France Master Leases.

Comparison of the other key terms under the France Master Lease with the Comparable France Master Leases are set out in the table below.

Key Terms	France Master Lease	Comparable France Master Leases
Lease Duration	10 years, with the tenant waiving its right to unilaterally terminate the lease at the end of each 3-year period.	French commercial leases have a minimum duration of 9 years, with mandatory break options every 3 years. If the lease is more than 9 years, the break option every 3 years is no longer mandatory.  The lease duration is in line with market standards.
Rent Indexation	The France Fixed Rent is subjected to annual rent revision from 2025 onwards, pegged to the French Commercial Rent Index (ILC).  The first base index shall be the latest quarter ILC index available at the point of lease commencement.  Annual rent revision shall take place on every anniversary of the master lease agreement.	All French commercial leases must, by law, be indexed at least every 3 years and following the ILC. In practice, all French commercial leases are indexed on a yearly basis and the use of ILC as an index on commercial leases is mandatory.

Key Terms	France Master Lease	Comparable France Master Leases
Reference Rent	32% of total revenue, to be determined at the end of every year.	The market standard rent to total revenue ratio ranges from 25% to 35%.
Lease Cap Amount	Lease Cap Amount is set at 1.5 times of €3,450,000, which is equivalent to €5,175,000.	The Lease Cap Amount is in line with market practices and forecasted performance of the property.
Lease Cap Mechanism	<p>For any given year, the lessor receives the France Fixed Rent, regardless of the France Property's total revenue. The Reference Rent is computed to determine if there is any shortfall between the Reference Rent and the Fixed Rent. Should the France Fixed Rent exceed the Reference Rent in any year, the Lease Cap Amount will be reduced by the difference between the France Fixed Rent and Reference Rent, and the balance of the Lease Cap Amount available for the following years will be reduced.</p> <p>The Lease Cap Mechanism will be suspended from 2022 to 2024 during the renovation period.</p>	<p>Cap mechanisms are common and offer a protection for both lessee (by not paying a rent that is unsustainable) and lessor (by reducing the risk of default of the lessees due to inability to pay the rent).</p> <p>Suspension of the lease cap is normal during the ramp-up period.</p>
Lease Cap Amount Depletion	Once the cumulative shortfall of the Reference Rent from the France Fixed Rent equals or exceeds the Lease Cap Amount, the Lease Cap Amount will be fully depleted and the France Fixed Rent will be converted into variable rent. The variable rent shall be computed based on 32% of total revenue.	This is in line with market practices. If the Lease Cap Amount is depleted, it is an indication that the fixed rent is too high. Switching to variable rent will enable the property to remain profitable.

Key Terms	France Master Lease	Comparable France Master Leases
Lease Termination	<p>If the lessor terminates the lease at the 10-year term, the lessee shall be compensated, such compensation to be agreed between the parties or determined by an independent valuer appointed by the court.</p> <p>The lessor may refuse to renew (at end of 10-year term) without any compensation under the following circumstances, with a notice period of 6 months:</p> <p>(i) if the lessor has a serious and legitimate reason against the lessee, or where the lessee ceases without legitimate reason to operate the business; or</p> <p>(ii) if the building is to be totally or partially demolished due to unsanitary conditions.</p>	This is in line with market standards.
Repair and Maintenance	<p>The lessor shall bear the costs of major repair works (as defined by article 606 of the French Civil Code).</p> <p>The lessee shall pay for any repair and maintenance works that do not fall under the definition of article 606 of the French Civil Code.</p>	<p>This is in line with market standards.</p> <p>Under French law, all operating expenses can be passed through to the lessee with the exception of major repairs (i.e. those pertaining to structural elements) and rent management fees.</p>
Insurance	The lessee shall reimburse the landlord for all insurance premiums and other costs paid by the lessor in relation to insurance of the property.	This is in line with market standards.
Tax, Levies and other Charges	The lessee shall reimburse the landlord all taxes, levies and other charges pertaining to the property (excluding taxes of the property holding company, eg. corporate taxes, business taxes, etc.).	This is in line with market standards.

Key Terms	France Master Lease	Comparable France Master Leases
Lease Renewal	<p>Following the expiry of the first 10-year lease term, parties shall re-negotiate the fixed lease rental amount and the Lease Cap Amount.</p> <p>During the period of negotiation following the expiry of the first 10-year lease term, the lessee continues to pay the fixed rent of €3,450,000 per annum (taking into account rent indexation) or variable rent at 32% of total revenue per annum (where applicable) until an agreement has been reached, with a backdating reimbursement when a final settlement is reached.</p>	This is in line with market standards.

Sources: Circular, CBRE

Based on the table above, the key terms of the France Master Lease are in line with those of Comparable France Master Leases.

In relation to the France Rent Guarantee, we noted that the rent guarantee of up to €242,000 per annum is based on current rental rates paid by the existing tenant (who is an unrelated third party). Based on discussions with CBRE, we understand that the France Rent Guarantee is in line with market rates.

### 3.11 Comparison of the key terms of the Amended Pre-Existing Asset Management Agreement with Asset Management Agreements of Japan REITs focusing on rental housing properties in Japan

We have compared the key terms of the Amended Pre-Existing Asset Management Agreement against asset management agreements of Japan-listed REITs (“**Japan REITs**” or “**J-REITs**”, and such asset management agreements of Japan REITs being the “**Comparable Asset Management Agreements**”) that have a property portfolio of more than 75.0% in property value of the rental housing apartments in Japan.

We note that the terms of the asset management agreements of different rental housing properties may differ, based on factors such as the exact type of property managed, location of the property, scope of the asset management agreement, commercial factors at the time the agreement was entered and other relevant criteria. Accordingly, the Independent Directors, the Audit Committee and the Trustee should note that any comparison made with respect to the Comparable Asset Management Agreements serves as an illustrative guide only.

### Japan REITs focused in rental housing properties

J-REIT	Asset Management Fee Structure	Asset Management Fee as a % of LTM Revenue <sup>(1)</sup>
Advance Residence Investment Corporation	<ul style="list-style-type: none"> <li><b>Type 1:</b> 7.0% of the total real estate rental business income after subtracting the total real estate rental business expenses (excluding depreciation expenses and losses on the sale or retirement of non-current assets)</li> <li><b>Type 2:</b> Type 1 fee x (net profit before deduction of Type 2 fee, plus depreciation expenses, impairment losses, losses on transfer of real estate, etc and real-estate backed securities minus gains on transfer of real estate, etc and real-estate backed securities and profit on negative goodwill/number of investments units issued) x 0.005%</li> </ul>	7.4%
Comforia Residential REIT	<ul style="list-style-type: none"> <li><b>Type 1:</b> Up to 0.2% of total assets</li> <li><b>Type 2:</b> Up to 5.4% of ordinary cash flows</li> <li><b>Type 3:</b> Ordinary cash flows x growth rate of ordinary cash flows per unit x 10%</li> </ul>	5.8%
Daiwa Securities Living Investment Corp.	<ul style="list-style-type: none"> <li><b>Type 1:</b> Up to 0.2% of total assets</li> <li><b>Type 2:</b> Up to 8.0% of income before tax (after adding goodwill amortisation costs and deducting gain on negative goodwill) prior to the deduction of Type 2 fee</li> </ul>	7.1%
Kenedix Residential Investment Corporation	<ul style="list-style-type: none"> <li><b>Type 1:</b> 0.27% of total assets</li> <li><b>Type 2:</b> 0.00145% x distributable amount x earnings per unit</li> <li><b>Type 3:</b> Performance against TSE REIT Index x market capitalisation x 0.15%</li> </ul>	7.6%
Samty Residential Investment Corporation	<ul style="list-style-type: none"> <li><b>Type 1:</b> 0.45% p.a. of total assets</li> <li><b>Type 2:</b> 5.0% of distributable amount before income taxes, prior to deduction of Type 2 fee and excluding gain on bargain purchase, after compensating for any losses carried forward x (Total assets – 50 billion yen)/(total assets)</li> </ul>	7.5%
<b>Maximum</b>		<b>7.6%</b>
<b>Mean</b>		<b>7.1%</b>
<b>Median</b>		<b>7.4%</b>
<b>Minimum</b>		<b>5.8%</b>
Marunouchi Property	3.0% of net operating income	2.2%
House Saison Property	3.0% of net operating income	2.3%

J-REIT	Asset Management Fee Structure	Asset Management Fee as a % of LTM Revenue <sup>(1)</sup>
S-Residence Shukugawa Property	3.0% of net operating income	2.1%
S-Residence Namba Viale Property	3.0% of net operating income	2.2%
S-Residence Gakuenzaka Property	3.0% of net operating income	2.3%

Sources: Circular, semi-annual reports, investor relation materials and company announcements, the Manager

**Note:**

(1) Calculated based on the reported asset management fees (“**AM Fees**”) over reported rental revenues over the last reported 12-month period (“**LTM Revenue**”).

Based on the table above, we note that the AM Fees over LTM Revenue of each of the Japan Properties is below the mean, median and range of the AM Fees over LTM Revenue of the Comparable Asset Management Agreements.

### 3.12 Comparison of key terms of the Vietnam SR Management Agreement with serviced residence management agreements of comparable hospitality properties in Vietnam

We have compared the key terms of the Vietnam SR Management Agreement with those of comparable serviced residence apartments in Vietnam that are currently operating under a serviced residence management agreement with internationally branded operators of hospitality properties (the “**Comparable Vietnam SR Management Agreements**”).

However, we highlight that the Comparable Vietnam SR Management Agreements are not exhaustive and they differ from the Vietnam SR Management Agreement in terms of, *inter alia*, lease profile, property type, location of property, scope of the service residence management agreements, track record of each property, local market features and other relevant criteria. As such, the comparison of the fee structures with the Comparable Vietnam SR Management Agreements is strictly for reference purposes only.

Comparison of the key terms of the Vietnam SR Management Agreement with the Comparable Vietnam SR Management Agreements is set out in the table below.

Key Terms	Vietnam SR Management Agreement	Comparable Vietnam SR Management Agreements
<b>Operating Term</b>	10 years, with the option to extend for a further successive period of 10 years by mutual agreement	10 to 20 years, with extension terms structured into 2 periods of 5 years by mutual agreement
<b>Base Management Fee</b>	2.0% of total revenue	1.0% to 3.0% of total revenue



Key Terms	Vietnam SR Management Agreement	Comparable Vietnam SR Management Agreements
<b>Incentive Fee</b>	X% of gross operating profit (GOP) <ul style="list-style-type: none"> <li>• X=6% if GOP margin is less than 40.0%</li> <li>• X=7% if GOP margin is more than or equal to 40.0% but less than 50.0%</li> <li>• X=8% if GOP margin is more than or equal to 50.0% but less than 60.0%</li> <li>• X=9% if GOP is 60.0% and above</li> </ul>	5.0% to 8.0% of GOP
<b>Marketing Fee and Trademark/Royalty Fee</b>	Marketing Fee: 0.5% of total revenue  Trademark/Royalty Fee: 0.5% of total revenue	1.0% to 2.0% of total revenue

Sources: Circular, CBRE

Based on the table above, the key terms of the Vietnam SR Management Agreement are in line with those of Comparable Vietnam SR Management Agreements.

### 3.13 Key terms of the France Loan Assignment Documents

In evaluating the reasonableness of the key terms under the France Loan Assignment Documents (which include the term loan and the interest rate swap), we have made a comparison to the key terms of the loan quotations and interest rate swap quotations obtained from 2 other banks (the “**Comparable Market Loans**”).

	France Loan Amendment and Restatement Agreement	Comparable Market Loans	
<b>Lender</b>	OCBC	Bank A	Bank B
<b>(i) Term Loan Facility</b>			
<b>Principal Amount</b>	€49.5 million <sup>(1)</sup>	€49.5 million <sup>(1)</sup>	€49.5 million <sup>(1)</sup>
<b>Term</b>	3 years	3 years	3 years
<b>Base Rate</b>	EUR LIBOR	EUR LIBOR	EUR LIBOR
<b>Upfront Fee</b>	0.10% per annum	0.12% per annum	0.15% per annum
<b>Spread</b>	1.20% per annum	1.17% per annum	1.45% per annum
<b>Facility Type</b>	Unsecured	Unsecured	Unsecured
<b>Guarantee</b>	None	None	None

	France Loan Amendment and Restatement Agreement	Comparable Market Loans	
<u>(ii) Interest Rate Swap<sup>(2)</sup></u>			
Notional Amount	€29.5 million	Fixed rate remains the same regardless of amount	
Term	36 months (from effective date of 28 Feb 2022)	36 months	36 months
Fixed Rate	-0.07% per annum	1.98% per annum	1.98% per annum
Floating Rate	EUR-EURIBOR	EUR-EURIBOR	EUR-EURIBOR
Designated Maturity	3 months	3 months	3 months
All-In Interest Rate <sup>(3)</sup>	1.26%	2.47%	2.78%

Sources: Circular, market quotes of loan provided by the Managers

**Notes:**

- (1) Outstanding amount as of 31 December 2021.
- (2) The interest rate swaps are pegged to the respective underlying loans from each bank.
- (3) The all-in interest rate is calculated based on (Hedged Ratio x Fixed Rate + Unhedged Ratio x Base Rate) + Upfront Fee + Spread. For illustration purpose, the all-in interest rate from OCBC is (€29.5 million / €49.5 million x -0.07%) + (€20.0 million / €49.5 million x 0%) + 0.10% + 1.20%. As the base rate is a market reference rate, we have assumed it to be 0%.

The interest rate swap is used to partially hedge the floating interest rate exposure arising from the term loan. Based on the table above, we note that the all-in interest rate of the France Loan (which includes the term loan and the interest rate swap) is below that of the Comparable Market Loans. As such, the accession of the France Loan as part of the France Loan Amendment and Restatement Agreement and the novation of the France IRS as part of the France IRS Novation Agreement serves to provide a loan facility at a relatively lower interest rate than current market conditions. Furthermore, under the France Loan Amendment and Restatement Agreement, the corporate guarantee will no longer be required by OCBC. For avoidance of doubt, the Comparable Market Loans do not have in place a requirement for a corporate guarantee to be granted.

We wish to highlight that there is no assurance that the interest rates available under current market conditions, as reflected by the Comparable Market Loans, will remain at the same level as represented by the above analysis. Any fluctuation in the interest rates may continue due to, amongst other factors, the prevailing economic conditions, economic outlook, and market conditions and sentiment.

### 3.14 The *pro forma* financial effects of the Transactions

The *pro forma* financial effects of the Transactions are set out in paragraph 5 of the Letter to Stapled Securityholders in the Circular. We recommend the Independent Directors to advise the Stapled Securityholders to read this paragraph carefully, in particular the bases and assumptions relating to the preparation of the *pro forma* financial effects of the Transactions as set out in paragraph 5 of the Letter to Stapled Securityholders in the Circular.

We set out below the following *pro forma* financial analysis of the Transactions that is prepared for illustrative purposes only.

## **“5.2 Pro Forma DPS and Distribution Yield**

*The table below sets out the pro forma financial effects of the Transactions on ART’s DPS and distribution yield for FY2021, as if the Transactions were completed on 1 January 2021, approximately 114.9 million new Stapled Securities are issued at an illustrative issue price of S\$1.064 per new Stapled Security pursuant to the Private Placement with fund raising costs of S\$1.8 million and assuming the total acquisition cost of S\$263.5 million is approximately 54.0% funded by debt. Please also refer to sensitivity analysis below.*

	<b>Pro Forma Financial Effects for FY2021</b>	
	<b>Existing Portfolio</b>	<b>After the Transactions</b>
<b>Total Distribution (S\$’000)</b>	137,323 <sup>(1)</sup>	146,544
<b>No. of Stapled Securities (’000)</b>	3,276,547 <sup>(2)</sup>	3,395,414 <sup>(3)</sup>
<b>DPS (cents)</b>	4.32	4.44
<b>Distribution Yield (%)</b>	4.2 <sup>(4)</sup>	4.3 <sup>(4)</sup>

### **Notes:**

- (1) Based on the 2021 Audited Consolidated Financial Statements. Total distribution included a one-off distribution of divestment gain of S\$45.0 million to share divestment gains with Stapled Securityholders, replace income from divested assets and mitigate the impact of COVID-19 on distributions.
- (2) Number of Stapled Securities in issue as at 31 December 2021.
- (3) Includes adjustments to include approximately 3.1 million new Stapled Securities issued as payment of the acquisition fee (based on the assumed price stated at paragraph 5.1(c)) and Ascott Reit Manager’s management fees for the Acquisitions. The Stapled Securities issued as payment of the Ascott Reit Manager’s management fees were assumed to be issued at the same prices as those that were actually issued as payment for Ascott Reit Manager’s management fees for the existing properties for FY2021.
- (4) Based on the closing Stapled Security price of S\$1.03 on 31 December 2021.

### **DPS and DPS accretion sensitivity analysis**

*The pro forma financial effects are based on a number of key assumptions set out above. Stapled Securityholders should be aware that future events cannot be predicted with any certainty and deviations from the pro forma financial effects are to be expected. To assist Stapled Securityholders in assessing the impact of these assumptions on the pro forma financial effects of the Transactions on ART’s DPS, the sensitivity to DPS to changes in the issue prices of the new Stapled Securities and the number of new Stapled Securities issued under the Private Placement are set out below.*

*In addition, the sensitivity analysis below is intended as a guide only to show the pro forma DPS and DPS accretion at various issue prices and numbers of new Stapled Securities issued under the Private Placement, and variations in actual issue prices could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown. The sensitivity analysis has been prepared using the assumptions (as set out in paragraph 5.1 above).*

Changes in the issue price of the new Stapled Securities will have an impact on the number of the new Stapled Securities to be issued under the Private Placement and consequently the DPS. The illustrative issue price has been assumed to be S\$1.064 per new Stapled Security. The effects of variations in the issue price per new Stapled Security on the DPS for FY2021 are set out below:

*For Illustration Purposes Only*

Issue Price (S\$)	Approximate number of new Stapled Securities issued under the Private Placement (million)	Pro Forma DPS for FY2021		DPS Accretion (%)
		Existing Portfolio	After the Transactions	
0.980	124.8	4.32	4.43	2.5%
1.000	122.3	4.32	4.43	2.5%
1.020	119.9	4.32	4.44	2.8%
1.040	117.6	4.32	4.44	2.8%
<b>1.064</b>	<b>114.9</b>	<b>4.32</b>	<b>4.44</b>	<b>2.8%</b>
1.080	113.2	4.32	4.45	3.0%
1.100	111.2	4.32	4.45	3.0%
1.120	109.2	4.32	4.45	3.0%
1.140	107.3	4.32	4.45	3.0%

### 5.3 Pro Forma Consolidated NAV

The table below sets out the pro forma financial effects of the Transactions on the consolidated NAV of ART as at 31 December 2021, as if the Transactions were completed on 31 December 2021.

	Pro Forma Financial Effects as at 31 December 2021	
	Existing Portfolio	After the Transactions
<b>NAV (S\$'000)</b>	3,890,860 <sup>(1)</sup>	4,014,640 <sup>(2)</sup>
<b>Stapled Securities in issue ('000)</b>	3,276,547 <sup>(3)</sup>	3,394,559 <sup>(4)</sup>
<b>NAV per Stapled Security (S\$)</b>	1.19	1.18

**Notes:**

- (1) Based on the 2021 Audited Consolidated Financial Statements.
- (2) Adjusted for the pro forma financial effects of the Private Placement and associated costs, as if they were completed on 31 December 2021.
- (3) Number of Stapled Securities in issue as at 31 December 2021.
- (4) Includes adjustments to include approximately 114.9 million new Stapled Securities issued at an illustrative issue price of S\$1.064 per new Stapled Security pursuant to the Private Placement and approximately 3.1 million new Stapled Securities issued as payment of the acquisition fee (based on the assumed price stated at paragraph 5.1(c)). For the avoidance of doubt, the impact of the Private Placement on the NAV per Stapled Security is not material.

## 5.4 Pro Forma Capitalisation

The table below sets out the pro forma capitalisation of ART as at 31 December 2021, as if the Transactions were completed on 31 December 2021.

<b>Pro Forma Capitalisation as at 31 December 2021</b>		
	<b>Actual (S\$'000)</b>	<b>After the Transactions (S\$'000)</b>
<b>Short-term debt<sup>(2)</sup>:</b>		
Secured debt	155,018	155,018
Unsecured debt	609,167	609,844
<b>Total short-term debt</b>	<b>764,185</b>	<b>764,862</b>
<b>Long-term debt<sup>(2)</sup>:</b>		
Secured debt	713,314	850,308
Unsecured debt	1,251,425	1,342,342
<b>Total long-term debt</b>	<b>1,964,739</b>	<b>2,192,650</b>
<b>Total debt</b>	<b>2,728,924</b>	<b>2,957,512</b>
Stapled Securityholders' funds	3,890,860 <sup>(1)</sup>	4,014,640
<b>Total capitalisation</b>	<b>6,619,784</b>	<b>6,972,152</b>
	<b>Actual</b>	<b>After the Transactions</b>
<b>Aggregate leverage</b>	<b>37.1%</b>	<b>38.5%<sup>(3)</sup></b>

**Notes:**

(1) Based on the 2021 Audited Consolidated Financial Statements.

(2) Stated net of unamortised transaction costs.

(3) After the completion of the Acquisitions and taking into account the France Deferred Payment which is categorised as a liability on the balance sheet of ART and used to compute the pro forma aggregate leverage. This pro forma aggregate leverage of 38.5% represents an available debt headroom of approximately S\$0.9 billion (based on the aggregate leverage limit of 45.0% set by MAS under the Property Funds Appendix)."

## 4. OUR RECOMMENDATIONS

In arriving at our recommendations, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the IPT Transactions:

- (i) The rationale for and benefits of the Transactions (including the IPT Transactions);
- (ii) The agreed property value in the case of each of the Target Properties is lower than the respective average appraised values of the Independent Valuers' reports;
- (iii) The Price per Key of the Australia Property is higher than the Price per Key of the Comparable Australia Transacted Property;

- (iv) The Price per Key of the France Property is below the mean and median, and below the range, of the Price per Key of the Comparable France Transacted Properties;
- (v) The Price per Key of the Marunouchi Property is above the mean and median, but within the range, of the Price per Key of the Comparable Japan Transacted Properties in Nagoya;
- (vi) The Price per NRA of the Marunouchi Property is below the mean and median, and within the range, of the Price per NRA of the Comparable Japan Transacted Properties in Nagoya;
- (vii) The Price per NRA of the House Saison Property is above the mean and median, and above the range, of the Price per NRA of the Comparable Japan Transacted Properties in Kyoto;
- (viii) The Price per Key of the S-Residence Shukugawa Property and the House Saison Property, each and separately, is above the mean and median, and above the range, of the Price per Key of the Comparable Japan Transacted Properties in Hyogo and Kyoto, respectively;
- (ix) The Price per NRA of the S-Residence Shukugawa Property is below the mean and median and below the range of the Price per NRA of the Comparable Japan Transacted Properties in Hyogo;
- (x) The Price per Key of the S-Residence Namba Viale Property is below the mean and median, and below the range, of the Price per Key of the Comparable Japan Transacted Properties in Osaka;
- (xi) The Price per NRA of the S-Residence Namba Viale Property is above the mean and median, but within the range, of the Price per NRA of the Comparable Japan Transacted Properties in Osaka;
- (xii) The Price per Key of the S-Residence Gakuenzaka Property is below the mean and median, and within the range, of the Price per Key of the Comparable Japan Transacted Properties in Osaka;
- (xiii) The Price per NRA of the S-Residence Gakuenzaka Property is below the mean and median, and within the range, of the Price per NRA of the Comparable Japan Transacted Properties in Osaka;
- (xiv) The Price per Bed of the US Property is below the mean and median, and within the range, of the Price per Bed of the Comparable US Transacted Properties;
- (xv) The Price per Key of the Vietnam Property is below the mean and median, and below the range, of the Price per Key of the Comparable Vietnam Transacted Properties;
- (xvi) The *pro forma* FY2021 EBITDA Yield of the Australia Property is below the mean and median, and within the range, of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Australia;
- (xvii) The *pro forma* FY2021 EBITDA Yield of the France Property is comparable to the FY2021 EBITDA Yield of the comparable property in the Existing Portfolio in France;

- (xviii) The *pro forma* FY2021 EBITDA Yield of the Marunouchi Property is below the mean, equal to the median, and within the range, of the FY2021 EBITDA Yield of the Existing Portfolio in Japan;
- (xix) The *pro forma* FY2021 EBITDA Yield of the S-Residence Namba Viale Property, the S-Residence Gakuenzaka Property and the House Saison Property, each and separately, is below the mean and median, but within the range, of the FY2021 EBITDA Yield of the Existing Portfolio in Japan;
- (xx) The *pro forma* FY2021 EBITDA Yield of the S-Residence Shukugawa Property is above the mean and median, and within the range, of the FY2021 EBITDA Yield of the Existing Portfolio in Japan;
- (xxi) The *pro forma* FY2021 EBITDA Yield of the Vietnam Property is below the mean and median, but within the range, of the FY2021 EBITDA Yield of the comparable properties in the Existing Portfolio in Vietnam;
- (xxii) The rent amount per room per month is above the mean, equal to the median, and within the range, when compared to those of Comparable Australia Master Leases;
- (xxiii) The key terms of the Australia Master Lease are in line with those of Comparable Australia Master Leases;
- (xxiv) The rent per room per month is within the range as compared to those of Comparable France Master Leases;
- (xxv) The key terms of the France Master Lease are in line with those of Comparable France Master Leases, and the France Rent Guarantee is in line with market rates;
- (xxvi) The AM Fees over LTM Revenue of each of the Japan Properties is below the mean, median and range of the AM Fees over LTM Revenue of the Comparable Asset Management Agreements;
- (xxvii) The key terms of Vietnam SR Management Agreement are in line with those of Comparable Vietnam SR Management Agreements;
- (xxviii) The all-in interest rate under the France Loan Assignment Documents is below that of the Comparable Market Loans;
- (xxix) Assuming the Acquisitions were funded with a Private Placement, the Transactions are DPS accretive by 2.8% with an increase in distribution yield of 0.1% based on the illustrative *pro forma* financial effects of the Transactions as at 31 December 2021; and
- (xxx) Assuming the Acquisitions were funded with a Private Placement, the Transactions will increase the aggregate leverage by 1.4% and the NAV per Stapled Security will decrease by S\$0.01 to S\$1.18 based on the illustrative *pro forma* financial effects of the Transactions as at 31 December 2021.



Having given due consideration to the above and subject to the qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that the IPT Transactions are on normal commercial terms and are not prejudicial to interests of ART and its minority Stapled Securityholders. Accordingly, we are of the opinion that the Independent Directors, and the Audit Committee can recommend that Stapled Securityholders vote in favour of the IPT Transactions to be proposed at the Extraordinary General Meeting.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

**Deloitte & Touche Corporate Finance Pte Ltd**

Koh Soon Bee  
Executive Director

## SUMMARY VALUATION CERTIFICATES

Restricted Valuation Report

Summary Letter



1 August 2022

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Dear Sir/Madam,

### SUMMARY LETTER IN RELATION TO THE ACQUISITION OF NINE PROPERTIES IN JAPAN, VIETNAM, AUSTRALIA, FRANCE AND THE UNITED STATES OF AMERICA

As instructed by Ascott Residence Trust Management Limited ("Client"), we, CBRE Pte. Ltd ("CBRE"), have issued valuations as outlined in the individual valuation certificates in this letter as at 30 June 2022 ("Valuation Date"), representing the Market Value of 9 properties in Japan, Vietnam, Australia, France And The United States Of America ("Properties") for acquisition purposes.

For the purposes of this Circular, we have prepared this letter ("Letter"), which summarizes our Valuation Reports and outlines key factors which have been considered in arriving at our opinion of value. CBRE has provided the Client with a comprehensive Valuation Report for each Property. This Letter should be read in conjunction with the said issued Valuation Reports that has been prepared and vested with the Client. We hereby consent to the Client's use and inclusion of the this Letter and valuation certificates in any and all of the offer material (including the Circular) relating to the acquisition.

Our valuation is prepared in accordance with the International Valuation Standards ("IVS") and the respective domestic standards, where appropriate.

We have also prepared this Letter and the Valuation Certificates in accordance with Rule 222(3) of the SGX's Listing Manual and the Singapore Institute of Surveyors and Valuers (SISV)'s "Practice Guide for Valuation Reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars", a copy of which can be found on the SGX website <https://www.sgx.com/regulation/guides-handbooks>. The definition of Market Value is as follows:

Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The definition of Market Value in the Letter, Valuation Certificate and the Valuation Report is in accordance with the definition of market value set out in IVS and the local valuation standard and practice guide.

This definition of market value is in accordance with Rule 222(3) of the SGX's Listing Manual and the Singapore Institute of Surveyors and Valuers (SISV)'s "Practice Guide for Valuation Reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars", a copy of which can be found on the SGX website.

### Reliance on this Letter

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:



- This Letter alone does not contain all the necessary data and support information in terms of the valuation, which is included within our Valuation Reports. To understand the complexity of the methodology and the many variables involved, reference must be made to the Valuation Reports, copies of which are vested with the Client.
- The conclusions within the Valuation Reports as to the estimated value are based upon the factual information set forth in the Valuation Reports. Whilst CBRE has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by the Client.
- The methodologies used by CBRE in valuing the Properties – Capitalisation of Income Approach, Discounted Cash Flow Analysis, Direct Comparison Method (US Asset only) and Cost Method (US Asset only) – are based upon estimates of future results and are not predictions. These valuation methodologies are summarised in the Valuation Rationale section of this Letter. Each of the income methodology begins with a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions utilised for the Properties are summarised in the Valuation Rationale section of this Letter.
- The Valuation Reports were undertaken based upon information available and provided to us in May and June 2022. CBRE accepts no responsibility for subsequent changes in information as to income, expenses, or market conditions, between these dates and the valuation date.

No reliance may be placed upon the contents of this Letter by any party for any purpose other than in connection with the Purpose of Valuation and only with reference to the Valuation Reports.

## Property Details

The following table provides a summary of key elements of the 9 properties.

Table 1

	Property	Tenure	Number of Rooms	Net Rentable Area (Sq ft)
1	Marunouchi Central Heights	Fee Simple		18,720
2	House Saison Shiojodori	Fee Simple		54,397
3	S-RESIDENCE Shukugawa	Fee Simple		27,394
4	S-RESIDENCE NAMBA Viale	Fee Simple		34,533
5	S-RESIDENCE Gakuenzaka	Fee Simple		26,972
6	Somerset Central TD	Leasehold	132	
7	Quest Cannon Hill	Freehold	100	
8	La Clef Tour Eiffel	Freehold	112	
9	Standard at Columbia	Freehold	247-unit/ 679-bed	

## Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated a broad range of market evidence and the trading performance of comparable properties. We have also



reviewed historic trading levels and the future trading potential of the property. Our assessment has been made utilising Capitalisation Analysis, Discounted Cash flow Analysis, Direct Comparison and Cost Approach, where appropriate.

#### INCOME CAPITALIZATION (DIRECT CAPITALISATION METHOD)

We have utilised methods of income capitalisation which is the capitalisation of Initial Year 1 income approach and/or the Stabilised Year Approach. The Initial Year Income approach adopts the forecast Year 1 income and capitalises that income at a rate reflected in sales evidence in which foreseeable circumstances are known. The Stabilised Year Approach is used where the income stream is expected to vary greater than the rate of underlying inflation due to foreseeable changing market conditions, a recovering or declining business flowing an internal or external event, or to reflect the effect of capital expenditure. This analysis takes into account the forecast income over to the time taken for the income to have stabilised from the effect of the foreseeable circumstance. Capital expenditure required to achieve the expected income is deducted from the core value.

#### DISCOUNTED CASH FLOW ANALYSIS (DCF)

We have also carried out a discounted cash flow analysis over a five year and/or ten year investment horizon which assumes that the Property is sold at the end of that period. This form of analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, income growth, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

We have investigated the current market requirements for an investment return over a 10-year period from hospitality properties. We hold regular discussions with investors active in the market, both as purchasers and owners of hospitality properties.

Our selected terminal capitalisation rate, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building in five and/or ten years' time. The adopted terminal capitalisation rate additionally has regard to the duration of the remaining leasehold tenure of the Property at the end of the cash flow period.

#### DIRECT COMPARISON METHOD (FOR US AND JAPAN ASSETS)

We have also carried out a direct comparison approach. The direct comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

#### COST APPROACH (FOR US AND JAPAN ASSETS)

We have also carried out a cost approach. The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

#### USE RESTRICTION:

The use of this Letter is restricted and limited to the use to the client and the named intended user. The reader is hereby advised that the opinions and conclusions contained herein may not be properly understood without additional information contained in the Valuation Report.

**SCOPE OF WORK:**

The scope of work used to develop this valuation is as follows:

- a. The property was legally identified by its postal address and assessors' records
- b. We have inspected the subject property
- c. Analysis and research included applicable tax data, zoning requirements, flood zone status, demographics, trading information, occupation leases, income and expense data and comparable data
- d. Factual property specific data was provided by the Client.

**EXTRAORDINARY ASSUMPTIONS (APPLICABLE FOR US ASSET ONLY):**

1. The "as complete", "as stabilized" and "as is" value estimates assume the development is fully entitled and permitted for the construction of the improvements as specifically described herein and that the project will be completed on time and within budget and in accordance with the plans and assumed good level of specifications commensurate with other new developments in the surrounding area.
2. The appraisal includes a prospective opinion of market value at 70% complete, at 100% completion and stabilization of the property. As such, the prospective values are based on forward looking projections that are based on current market indications and typical underwriting witnessed by market participants. Any significant change in market conditions that are inconsistent with the assumptions made herein could impact the opinions of market value.

The use of extraordinary assumptions may have affected the results of this assignment.

**HYPOTHETICAL CONDITIONS:**

Hypothetical conditions have not been used in this valuation.

**ASSUMPTIONS, DISCLAIMERS, LIMITATIONS & QUALIFICATIONS**

All data provided in this Letter and Valuation Certificates is wholly reliant on and must be read in conjunction with the information provided in the Valuation Report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This Letter and Valuation Certificates is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this Letter and Valuation Certificates which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section of the Valuation Report. Reliance on this Letter and Valuation Certificates and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

**MARKET CONDITIONS CLAUSE**

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard.

You should note that the conclusions set out in our Valuation Reports are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.



## CBRE APPRAISERS

The valuations of the nine properties has been undertake by CBRE licensed appraisers.

The comprehensive formal full valuations have been provide to the Client. These valuations have been reviewed and signed by the individual appraisers.

This Letter, is signed by an authorised person on behalf of CBRE Valuation & Advisory and the individual valuer and appraisers.

The following pages are the Valuation Certificates for each of the 9 properties.

## Assessment of Value

We are of the opinion that our assessment of the Market Value of the Properties, subject to the existing tenancies and occupational arrangements, is as follows:

*Table 2 Valuation Summary & Analysis*

Property	Basis of Value	Number of Rooms	Net Rentable Area (Sq ft)	Currency	Concluded Value	Value per room	Value per tsubo
Marunouchi Central Heights	Market Value subject to existing Lease Agreement		18,719.714	JPY	757,000,000		1,438,934 yen/tsubo
House Saison Shiojodori	Market Value subject to existing Lease Agreement		54,397.306	JPY	2,770,000,000		1,811,952 yen/tsubo
S-RESIDENCE Shukugawa	Market Value subject to existing Lease Agreement		27,393.587	JPY	769,000,000		998,889 yen/tsubo
S-RESIDENCE NAMBA Viale	Market Value subject to existing Lease Agreement		34,532.744	JPY	1,850,000,000		1906,236 yen/tsubo
S-RESIDENCE Gakuenzaka	Market Value subject to existing Lease Agreement		26,972.181	JPY	1,250,000,000		1,649,059 yen/tsubo
Somerset Central TD	Market Value subject to existing Management Agreement	132		VND	395,000,000,000	2,992,424,242	
Quest Cannon Hill	Market Value subject to existing Lease Agreement	100		AUD	28,250,000	282,500.000	
La Clef Tour Eiffel	Market Value subject to proposed Lesse Agreement	112		Euro	95,500,000	852,678.571	
Standard at Columbia	Market Value subject to proposed tenancies and occupational arrangements	247-unit/ 679-bed		USD	63,300,000	256,275.304	

## Disclaimer

CBRE have prepared this Letter which appears in this Circular and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in this Circular, other than in respect of the information provided within the aforementioned Valuation Reports and this Letter. CBRE does not make any warranty or representation as to the accuracy of the information in any other part of this Circular other than as expressly made or given by CBRE in this Letter.

CBRE has relied upon property data supplied by Ascott Residence Trust Management Limited which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. CBRE and the respective appraisers involved in each assignment have no present or prospective interest in the Property and have no personal interest or bias with respect to the party(ies) involved.

The appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as appraisers and:

- 1) have a License by a relevant authority to perform property valuation in the relevant market;



- 2) have a least 5 years continuous experience in valuing real properties in a similar industry and area as the real property in which the valuation is to be conducted; and
- 3) have not been found to be in breach of any rule or law relevant to real property valuation and is not
  - i) denied or disqualified from membership of or licensing from;
  - ii) subject to any sanction imposed by;
  - iii) subject to any disciplinary proceedings by; or
  - iv) the subject of any investigation which might lead to disciplinary action by, in each case by any professional body or authority relevant to real property valuation.

None of the information in this Letter, Valuation Certificates or our Valuation Reports constitutes advice as to the merits of entering into any form of transaction. Furthermore, none of the information in this Letter, Valuation Certificates or our Valuation Reports constitutes financial product advice.

Neither this Letter, Valuation Certificates nor the Valuation Reports purport to contain all the information that any interested party may require. They do not consider individual circumstances, financial situation, investment objectives or requirements. They are intended to be used as guide only and do not constitute advice including without any limitation, investment, tax, legal or any other type of advice. The valuations stated are only best estimates and are not to be construed as a guarantee. The material contained in these valuations should not be relied upon as a statement or representation of fact without confirmation or satisfaction as to its correctness by independent investigation and review of the Valuation Reports to understand the assumptions and methodologies stated in the valuations.

This Letter, Valuation Certificates and the Valuation Reports are strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in this Circular. To the extent permitted by law (including the Securities and Futures Act, Chapter 289 of Singapore), CBRE specifically disclaims any liability in respect of the use of or reliance on this Letter and Valuation Certificates to any person in the event of any omission or false or misleading statement other than to the Addressees. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of this Circular.

### **Certification:**

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
6. This valuation assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.





7. Our analyses, opinions, and conclusions were developed, and our valuation report has been prepared, in conformity with International Valuation Standards, as well as the requirements of the individual geographic requirement. For US Property, our analyses, opinions, and conclusions were developed, and our valuation report has been prepared, in conformity with the 2020-2021 Uniform Standards of Professional Valuation Practice;
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Valuation Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Yours sincerely  
CBRE Pte. Ltd

A handwritten signature in black ink, appearing to read 'Jiahao', is written over a horizontal line.

Zhang Jiahao  
Director  
Valuation & Advisory Services (Hotels)

Encl.: Appendix 1 – Valuation Certificates



## Appendix 1

### Property 1

#### VALUATION CERTIFICATE

<b>Property:</b>	Marunouchi Central Heights 3-23-6, Marunouchi, Naka-ku, Nagoya-shi, Aichi
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to existing Lease Agreement
<b>Registered Owner:</b>	Sanne Group Japan Trust Company Limited
<b>Tenure</b>	Fee Simple
<b>Legal Description:</b>	Land Lot No. 2305
<b>Town Planning:</b>	Multi-residential buildings
<b>Land Area:</b>	3,918 sqft (364 sqm)
<b>Gross Floor Area (GFA):</b>	24,868 sqft (2,310 sqm)
<b>Net Rentable Area:</b>	18,720 sqft (1,739 sqm)
<b>Brief Description:</b>	The subject is a multi-unit rental residence, situated in a neighbourhood that is mainly residential/commercial. The subject neighbourhood area is located about 330 metres east of Marunouchi Station on the Nagoya City Subway Sakuradori Line, Nagoya City Subway Tsurumai Line, 900 m northeast of Sakae district, one of the Nagoya's largest commercial district, making the area very convenient for residents.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Income Capitalisation, Discounted Cashflow Analysis, Sales Comparison and Cost Approach
<b>Capitalisation Rate:</b>	4.10%
<b>Terminal Capitalisation</b>	4.10%
<b>Discount Rate:</b>	3.80%
<b>Date of Inspection:</b>	17-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	<b>JPY 757,000,000</b> <b>(JPY SEVEN HUNDRED AND FIFTY SEVEN MILLION)</b>
<b>Assessed Value Per Tsubo:</b>	<b>1,438,934 yen/tsubo</b>
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE K.K.</b> Taku Ozora, Supervisor and Licensed Real Estate Appraiser Ryo Hatano, Licensed Real Estate Appraiser

sqm to sqft conversion - 10.7639



## Property 2

### VALUATION CERTIFICATE

<b>Property:</b>	House Saison Shiojodori 47-2, Kasabokocho, Shimogyo-ku, Kyoto-shi, Kyoto
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to existing Lease Agreement
<b>Registered Owner:</b>	Sanne Group Japan Trust Company Limited
<b>Tenure:</b>	Fee Simple
<b>Legal Description:</b>	47-3,47,47-2,47-4,47-5,47-6,47-7,49 Kasabokocho, Shijodori-aburakoji-higashirru, Shimogya-ku, Kyoto-shi, Kyoto.
<b>Town Planning:</b>	Multi-residential buildings
<b>Land Area:</b>	9,772 sqft (908 sqm)
<b>Gross Floor Area (GFA):</b>	72,362 sqft (6,723 sqm)
<b>Net Rentable Area:</b>	54,397 sqft (5,054 sqm)
<b>Brief Description:</b>	The subject is a multi-unit rental residence, situated in a neighbourhood that is mainly residential/commercial. The subject neighbourhood area is located within a 6-minute walk from Karasuma Station on the Hankyu Kyoto Honsen Line, within a 7-minute walk from Shijo Station on the Kyoto City Subway Karasuma Line, making the area very convenient for residents.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Income Capitalisation, Discounted Cashflow Analysis, Sales Comparison and Cost Approach
<b>Capitalisation Rate:</b>	4.10%
<b>Terminal Capitalisation:</b>	4.10%
<b>Discount Rate:</b>	3.80%
<b>Date of Inspection:</b>	25-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	<b>JPY 2,770,000,000</b> <b>(JPY TWO BILLION SEVEN HUNDRED AND SEVENTY MILLION)</b>
<b>Assessed Value Per Tsubo:</b>	<b>1,811,952 yen/tsubo</b>
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE K.K.</b> Taku Ozora, Supervisor and Licensed Real Estate Appraiser Ryo Hatano, Licensed Real Estate Appraiser

sqm to sqft conversion - 10.7639



### Property 3

#### VALUATION CERTIFICATE

<b>Property:</b>	S-RESIDENCE Shukugawa 2-88, Kamizono-cho, Nishinomiya-shi, Hyogo
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to existing Lease Agreement
<b>Registered Owner:</b>	Sanne Group Japan Trust Company Limited
<b>Tenure</b>	Fee Simple
<b>Legal Description:</b>	Land Lot No. 36-1
<b>Town Planning:</b>	Multi-residential buildings
<b>Land Area:</b>	20,993 sqft (1,950 sqm)
<b>Gross Floor Area (GFA):</b>	36,171 sqft (3,360 sqm)
<b>Net Rentable Area:</b>	27,394 sqft (2,545 sqm)
<b>Brief Description:</b>	The subject is a multi-unit rental residence, situated in a neighbourhood that is mainly residential. The subject neighbourhood area is located about 400 metres south of Koyoen Station on the Hankyu Koyo Line. The subject neighbourhood area is situated on the hillside of Shukugawa and consists of detached houses and apartments.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Income Capitalisation, Discounted Cashflow Analysis, Sales Comparison and Cost Approach
<b>Capitalisation Rate:</b>	4.60%
<b>Terminal Capitalisation</b>	4.40%
<b>Discount Rate:</b>	4.10%
<b>Date of Inspection:</b>	20-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	JPY 769,000,000 (JPY SEVEN HUNDRED AND SIXTY NINE MILLION)
<b>Assessed Value Per Tsubo:</b>	998,889 yen/tsubo
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE K.K.</b> Taku Ozora, Supervisor and Licensed Real Estate Appraiser Masashi Ito, Licensed Real Estate Appraiser

sqm to sqft conversion - 10.7639



## Property 4

### VALUATION CERTIFICATE

<b>Property:</b>	S-RESIDENCE NAMBA Viale 3-9-1, Motomachi, Naniwa-ku, Osaka-shi, Osaka
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to existing Lease Agreement
<b>Registered Owner:</b>	Sanne Group Japan Trust Company Limited
<b>Tenure</b>	Fee Simple
<b>Legal Description:</b>	Land Lot No. 9-2
<b>Town Planning:</b>	Multi-residential buildings
<b>Land Area:</b>	5,943 sqft (552 sqm)
<b>Gross Floor Area (GFA):</b>	44,460 sqft (4,130 sqm)
<b>Net Rentable Area:</b>	34,533 sqft (3,208 sqm)
<b>Brief Description:</b>	The subject is a multi-unit rental residence, situated in a neighbourhood that is mainly residential/commercial. The subject neighbourhood area is located about 600 metres southwest of Namba Station on the Osaka Metro Midosuji Line, Yotsubashi Line and Sen-Nichimae Line.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Income Capitalisation, Discounted Cashflow Analysis, Sales Comparison and Cost Approach
<b>Capitalisation Rate:</b>	3.90%
<b>Terminal Capitalisation</b>	3.90%
<b>Discount Rate:</b>	3.60%
<b>Date of Inspection:</b>	18-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	JPY 1,850,000,000 (JPY ONE BILLION EIGHT HUNDRED AND FIFTY MILLION)
<b>Assessed Value Per Tsubo:</b>	1,906,236 yen/tusbo
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE K.K.</b> Taku Ozora, Supervisor and Licensed Real Estate Appraiser Masashi Ito, Licensed Real Estate Appraiser

sqm to sqft conversion - 10.7639



## Property 5

### VALUATION CERTIFICATE

<b>Property:</b>	S-RESIDENCE Gakuenzaka 2-1-1, Shimodera, Naniwa-ku, Osaka-shi, Osaka
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to existing Lease Agreement
<b>Registered Owner:</b>	Sanne Group Japan Trust Company Limited
<b>Tenure</b>	Fee Simple
<b>Legal Description:</b>	Land Lot No. 1-1
<b>Town Planning:</b>	Multi-residential buildings
<b>Land Area:</b>	4,680 sqft (435 sqm)
<b>Gross Floor Area (GFA):</b>	32,410 sqft (3,011 sqm)
<b>Net Rentable Area:</b>	26,972 sqft (2,506 sqm)
<b>Brief Description:</b>	The subject is a multi-unit rental residence, situated in a neighbourhood that is mainly residential/commercial. The subject neighbourhood area is located about 500 metres west of Shitennoji-mae Yuhigaoka Station on the Osaka Metro Tanimachi Line.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Income Capitalisation, Discounted Cashflow Analysis, Sales Comparison and Cost Approach
<b>Capitalisation Rate:</b>	3.90%
<b>Terminal Capitalisation</b>	3.90%
<b>Discount Rate:</b>	3.60%
<b>Date of Inspection:</b>	18-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	JPY 1,250,000,000 (JPY ONE BILLION TWO HUNDRED AND FIFTY MILLION)
<b>Assessed Value Per Tsubo:</b>	1,649,059 yen/tsubo
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE K.K.</b> Taku Ozora, Supervisor and Licensed Real Estate Appraiser Masashi Ito, Licensed Real Estate Appraiser

sqm to sqft conversion - 10.7639



## Property 6

### VALUATION CERTIFICATE

<b>Property:</b>	Somerset Central TD Tower A, TD Plaza, Lot 20A, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Leasehold Interest
<b>Basis of Valuation:</b>	Market Value subject to proposed Management Agreement
<b>Registered Owner:</b>	Somerset Central TD Co., Ltd
<b>Tenure</b>	Leasehold
<b>Legal Description:</b>	Land No. BB538494
<b>Town Planning:</b>	Serviced Apartment use as per Investment Registration Certificate provided by Instructing Party
<b>Land Area:</b>	26,479 sqft (2,460 sqm)
<b>Gross Floor Area (GFA):</b>	180,654 sqft (16,783 sqm)
<b>Number of Rooms:</b>	132
<b>Brief Description:</b>	The subject is a 19-storey serviced apartment building which is designed with a total of 132 units with average room size of approximately 86 square metres. The Subject has been in operation since May 2015. There are six types of units including Studio Executive (32 sqm/unit), Deluxe (34 sqm/unit) and Suite (58 sqm/unit). Other supporting facilities comprise an equipped gymnasium, an outdoor swimming pool, a children's playroom, Resident's Lounge, a Japanese restaurant and other supporting areas.
<b>Occupancy Profile:</b>	The Property is current managed by Ascott International Management (2001) Pte Ltd under the Somerset brand.
<b>Valuation Approaches:</b>	Income Capitalisation and Discounted Cashflow Analysis
<b>Capitalisation Rate:</b>	7.75%
<b>Terminal Capitalisation</b>	8.00%
<b>Discount Rate:</b>	12.50%
<b>Date of Inspection:</b>	12-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	<b>VND 395,000,000,000</b> <b>(VND THREE HUNDRED AND NINETY FIVE BILLION)</b>
<b>Assessed Value Per Key:</b>	<b>VND 2,992,424,242</b>
<b>Market Conditions Clause</b> <b>(Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility.</i> <i>Lending/Investment caution is advised in this regard.</i> <i>You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE, VAS Valuation Co. Ltd</b> Luong Thi Minh Trang, Senior Analyst Tran Thi Quynh Trang, Manager Nguyen Trong Nguyen, Associate Director, Registered Valuer No. XII17.1808 Ho Thi Kim Oanh MRICS, Director, Registered Valuer No. VI111.621

sqm to sqft conversion - 10.7639





## Property 7

### VALUATION CERTIFICATE

<b>Property:</b>	Quest Cannon Hill 930 Wynnum Road, Cannon Hill, QLD 4170
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to existing Lease Agreement
<b>Registered Owner:</b>	Balsamine (Brisbane) Pty Ltd A.C.N. 616 531 572
<b>Tenure</b>	Freehold
<b>Legal Description:</b>	Lot 1 on Survey Plan 28965, Title Reference 511473407
<b>Town Planning:</b>	MDR "Medium density residential" zone, under the Brisbane City Council Planning Scheme 2014
<b>Land Area:</b>	21,259 sqft (1,975 sqm)
<b>Number of Rooms:</b>	100
<b>Brief Description:</b>	The subject comprises a 4.0 star, upscale class, mid-rise serviced apartment building which opened in June 2018. The subject comprises 100 keys, consisting of 50 x studio, 41 x one-bedroom and 9 x two-bedroom apartments with each of the one-bedroom and two-bedroom apartments capable of being a dual key with an adjoining studio apartment. Facilities include a conference/meeting room, gymnasium, guest laundry, outdoor swimming pool, BBQ facilities and under cover car parking for 43 vehicles.
<b>Occupancy Profile:</b>	The Property is currently leased to Quest and operated under the Quest brand, subject to a 10 year lease agreement, which commenced on 9 June 2018 with three further options of 5 years each.
<b>Valuation Approaches:</b>	Income Capitalisation and Discounted Cashflow Analysis
<b>Capitalisation Rate:</b>	6.75%
<b>Terminal Capitalisation</b>	6.75%
<b>Discount Rate:</b>	8.25%
<b>Date of Inspection:</b>	12-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	<b>A\$ 28,250,000</b> <b>(AUD TWENTY EIGHT MILLION TWO HUNDRED AND FIFTY THOUSAND)</b>
<b>Assessed Value Per Key:</b>	<b>\$282,500</b>
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE Valuations Pty Limited (CBRE)</b> Jacqueline Reiser, AAPI, Registered Valuer No.1433, Certified Practising Valuer David Clarke, Director, Quality & Risk Management (QLD Commercial)

sqm to sqft conversion - 10.7639



## Property 8

### VALUATION CERTIFICATE

<b>Property:</b>	La Clef Tour Eiffel 83 Avenue Kleber, Paris, 75116
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Freehold Interest
<b>Basis of Valuation:</b>	Market Value subject to proposed Lease Agreement
<b>Registered Owner:</b>	Ascott Kleber SNC - 120 rue Jean Jaures 92532 Levallois-Perret
<b>Tenure</b>	Freehold
<b>Legal Description:</b>	Cadastral plot: 000 FR 29
<b>Town Planning:</b>	UG: Urban General Zone
<b>Number of Rooms:</b>	112
<b>Brief Description:</b>	The subject is a 112-unit upscale hotel, located in the city centre of Paris. The accessibility to the subject is excellent and it consists of a restaurant and bar, a gymnasium and a meeting room for 20 pax.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Discounted Cashflow Analysis
<b>Terminal Capitalisation Rate:</b>	Base Income - 3.00%, Surplus - 4.10%
<b>Discount Rate:</b>	Base Income - 4.40%, Surplus - 5.50%
<b>Date of Inspection:</b>	18-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value - Property:</b>	€ 95,500,000 (EURO NINETY FIVE MILLION FIVE HUNDRED THOUSAND)
<b>Assessed Value Per Key:</b>	€ 852,679
<b>Assessed Value - Restaurant:</b>	€ 7,400,000

<b>Market Conditions Clause (Heightened Market Volatility):</b>	<p>(EURO SEVEN MILLION FOUR HUNDRED THOUSAND)</p> <p><i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard.</i></p> <p><i>You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i></p>
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<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p><i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i></p>
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<b>Prepared By:</b>	<b>CBRE Hotels Valuation SAS</b> Benjamin Deljurie, MRICS, CIS HypZert (MLV) Director, Registered Valuer Jane Lees, MRICS, Executive Director, RICS Registered Valuer	sqm to sqft conversion - 10.7639
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## Property 9

### VALUATION CERTIFICATE

<b>Property:</b>	Standard at Columbia 1401 Assembly Street Columbia, Richland County, SC 29201
<b>Client:</b>	Ascott Residence Trust Management Limited
<b>Purpose:</b>	Acquisition and Associated Public Disclosure Obligations
<b>Interest Valued:</b>	Leased Fee Interest
<b>Basis of Valuation:</b>	Market Value subject to proposed tenancies and occupational arrangements
<b>Registered Owner:</b>	Columbia Student Property
<b>Tenure:</b>	Freehold
<b>Legal Description:</b>	Parcel Number R09013-03-06
<b>Town Planning:</b>	DAC
<b>Number of Rooms:</b>	247-unit/ 679-bed
<b>Brief Description:</b>	The subject is going to be a 247unit/679-bedroom freehold purpose built student housing property with a site area of 42,210 square feet upon completion.
<b>Occupancy Profile:</b>	Tenant-occupied
<b>Valuation Approaches:</b>	Income Capitalisation, Sales Comparison and Cost Approach
<b>Capitalisation Rate:</b>	4.50%
<b>Date of Inspection:</b>	13-May-2022
<b>Date of Valuation:</b>	30-June-2022
<b>Assessed Value:</b>	USD 63,300,000 <b>Sixty Three Million, Three Hundred Thousand Dollars</b>
<b>Market Conditions Clause (Heightened Market Volatility):</b>	<i>We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility. Lending/Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.</i>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
<b>Prepared By:</b>	<b>CBRE, Inc.</b> Benjamin Tedder, MAI, Certified General -6199 Jessica Harvey, Certified General -8063

sqm to sqft conversion - 10.7639



VALUATION CERTIFICATES

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## Portfolio of 8 Properties in Asia Pacific and Europe



**SUBMITTED TO:**

DBS Trustee Limited  
(in its capacity as trustee of Ascott Real Estate  
Investment Trust)  
12 Marina Boulevard Level 44  
DBS Asia Central @ Marina Bay Financial  
Centre Tower 3  
Singapore 018982

**PREPARED BY:**

HVS – Singapore Office  
137 Market Street  
#04-02  
Grace Global Raffles  
Singapore 048943  
  
Tel: +65 6293 4415  
Fax: +65 6293 5426

30 June 2022

HVS is the World's Leading Hotel & Resort Consulting, Valuation and Investment Services Group

HVS is the trading name of SG&R Singapore Pte Ltd (Reg. No. 199900143N)



30 June 2022

DBS Trustee Limited  
(in its capacity as trustee of Ascott Real Estate Investment Trust)  
12 Marina Boulevard Level 44  
DBS Asia Central @ Marina Bay Financial Centre Tower 3  
Singapore 018982

Dear Sirs,

**Re: Valuation Certificates for Portfolio of 8  
Properties in Asia Pacific and Europe**

We are pleased to submit to you our Valuation Certificates for the following properties:

- 1) Quest Cannon Hill, Queensland, Australia
- 2) La Clef Tour Eiffel, Paris, France
- 3) 5 Properties in TMK 2, Japan
  - a. House Saison Shijo-diri, Kyoto
  - b. Marunouchi Central Heights, Nagoya
  - c. S-Residence Gakuenzaka, Osaka
  - d. S-Residence Namba Viale, Osaka
  - e. S-Residence Shukugawa, Hyogo
- 4) Somerset Hai Phong, Vietnam

**1.0 Client Brief and Purpose of Valuation**

We have been instructed to provide the valuation certificates of the above-mentioned as at 30 June 2022 based on its existing use and subject to the existing management contract for acquisition and associated public disclosure obligations purposes.

These valuation certificates are to be read together with the full valuation reports dated 30 June 2022.

HVS and Japan Valuers have inspected the properties and have analysed the hotel market conditions respectively. HVS and Japan Valuers have assessed the properties as independent appraisers. We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings and valuation.

**2.0 Basis of Valuation**

The valuation is prepared in accordance with the International Valuation Standards Committee ('IVSC') definition of Market Value, which is:

*"The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length*



*transaction after proper marketing wherein the parties has each acted knowledgeably, prudently and without compulsion."*

Additionally, our assessment will be on the basis of the existing use of the property only with appropriate approvals and licenses in place.

### **3.0 Premise of the Forecast**

For hospitality properties, we commonly adopt the Discounted Cashflow (DCF) approach which is mainly considered by prospective investors.

The assessment is based on the current as well as expected future conditions as perceived by the market. We do stress that the estimation of future market conditions is a problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties.

Serviced/Leased apartments and hotels generally change hands in the open market at prices based on the future income potential and it is widely accepted that the valuation approach should be related to the property' actual and potential income. Past performance provides a certain level of guidance to the future performance of a serviced/leased apartment and hotel, but new macroeconomic factors or local supply issues often mean that a fresh view needs to be taken of the competitive environment the subject Property operates in.

The projections of occupancy, average room rate and indicative cashflow are based on our knowledge and understanding of the market and experience of the operating performance of property of similar type and standard. The assumptions in respect of future events are our best estimates at the date of preparing the report. To the extent that any of the assumptions noted in our report are not realised, the indicative cashflow projections and estimate of value may be materially affected.

The process of making forward projections involves assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions. To rely upon our valuation therefore, the reader must be satisfied as to the rationale behind these future estimates.

*Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.*

### **4.0 Planning**

Unless otherwise instructed, we do not normally carry out investigations with the various public authorities to confirm that the subject Properties are not adversely affected by any town planning issues such as change in zoning, land use control, public schemes such as road or drainage reserves and so forth.



Neither are we in a position to warrant the subject Properties' conformance with local zoning regulations. If reassurance is required, we recommend that verification be obtained from your solicitor.

HVS has not conducted any legal requisition on the land lease/title, town planning control and other related matters and our valuation is made on the basis that the Properties are free of encumbrances, restrictions or other impediments of an onerous nature which would affect the values. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.

## **5.0 Other Statutory Consents**

Our valuation is prepared on the assumption that all necessary permits and approvals have been secured (including an appropriate alcohol licence), and that the subject Property (and any works thereof) was constructed in accordance with local zoning ordinances, building codes and all other applicable regulations.

We have assumed that the Properties have a valid fire certificate, complies with environmental health legislation and holds all other necessary licences for the purposes of their operation. Furthermore, we have assumed that there are no outstanding issues in respect of such consents and licences.

We have not inspected any of the licences, approvals, consents, permits or certificates relating to the Properties and assumed that all documents are in order.

## **6.0 Information Utilised**

All information was collected and analysed by the staff of HVS and Japan Valuers. Information such as historical operating statements, site plans, floor plans and so forth was supplied by the Client. We have assumed that this information is accurate and have therefore relied upon it without undertaking any independent verification.

Should it be revealed that any of this information is inaccurate or misleading so that its use would affect the valuation, HVS seeks to be informed of such discrepancies and accordingly reserves the right to amend its opinion of value.

The information presented in this report should not be disseminated to the public or third parties without the express written consent of HVS and no responsibility is given to any third party who may use or rely on the whole or part of the contents of this report.

## **7.0 Use of Valuation Certificates**

Neither the whole nor any part of the valuation certificates nor any reference thereto maybe included in any document, circular or statement without our written approval and of the form or context in which it appears.





The valuation has been prepared for the purpose stated above and for use only of the Client and no responsibility is given to any third party for the whole or part of its contents.

#### **8.0 Assumptions and Limiting Conditions**

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.

Yours sincerely,

HVS – SINGAPORE OFFICE

A handwritten signature in black ink, reading 'Chee Hok Yean', written over a horizontal line.

Chee Hok Yean  
Managing Partner  
MRICS, MSISV  
Licensed Appraiser No. AD0412003997F

HVS No: 2022120012, 2022120014 -20

SG&R Singapore Pte Ltd  
HVS is the trading name of SG&R Singapore Pte Ltd (Reg. No. 199900143N)  
137 Market Street, #04-02, Grace Global Raffles, Singapore 048943  
Tel: +65 6293 4415



## VALUATION CERTIFICATE

### QUEST CANNON HILL, AUSTRALIA

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<b>Property</b>	<b>Quest Cannon Hill</b> 930 Wunnum Road, Cannon Hill, QLD 4170, Australia
<b>Location</b>	<p>Quest Cannon Hill (the 'Property') is located at 930 Wunnum Road, Cannon Hill, QLD 4170, Australia. The Property is in Cannon Hill, east of Brisbane. It is next to Wunnum Road and near the M1 and M4.</p> <p>Conveniently located 4 minutes away from the Cannon Hill Station, the Property is situated in the centre of the Cannon Hill neighbourhood. With the Cleveland Line, commuters can easily arrive in the South Bank station in 15 minutes. Nearby there are a few business parks namely Southgate Corporate Park and Gateway Office Park. Multiple recreation grounds such as the Evergreen Place Park, Seven Hills Bushland Reserve and Murarrie Recreation Ground can be found in the area. The Cannon Hill Kmart Plaza and Cannon Central Shopping Centre that are both 1.2 kilometre away from the subject Property are the largest malls in Cannon Hill area. The Cannon Hill Anglican College is also located 1.0 kilometre away from the subject Property.</p>
<b>Property Description</b>	The Property is a five-storey building that comprises 50 serviced apartments with 100 keys. It has studio apartments, one-bedroom apartments, two-bedroom apartments, two-bedroom with dual key apartments and three-bedroom with dual key apartments. Amenities which guests may enjoy include gymnasium, conference room, outdoor swimming pool, BBQ area, guest laundry area and car park.
<b>Registered Owner</b>	According to information provided by the Client, the Property is held by Qchill Holdings Pty Ltd under a freehold tenure.
<b>Property Interest Valued / Tenure</b>	The Property is held by Qchill Holdings Pty Ltd under a freehold tenure. The property rights valued are the freehold interest in the subject Property, including land, buildings and other improvements including furniture, fixtures and equipments.
<b>Gross Floor Area</b>	Approximately 4,646 square metres.
<b>Basis of Valuation</b>	Market Value, "As-is" Basis, Subject to Management Agreement.
<b>Valuation Approach</b>	Discounted Cashflow Method.
<b>Valuation Parameters</b>	Terminal Capitalisation Rate: 6.5% Discount Rate: 8.5%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>AUD 31,200,000</b> <b>(Thirty-one Million Two Hundred Thousand Australian Dollars)</b>

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30 June 2022

Valuation Certificates for Portfolio of  
8 Properties in Asia Pacific and Europe



## **Assumptions and Disclaimers**

An opinion of value will always involve a degree of subjectivity and uncertainty that will affect the probability that the opinion of Market Value would be the same as the price achieved by an actual sale at the valuation date. Therefore, we are required by the RICS to comment on our level of confidence in the opinion of value reported herein.

The methodology employed in valuing serviced / leased apartments / hotels depends on the accuracy of the historical trading results for the subject Property and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the subject Property.

We consider our projections of future income and expense to be appropriate when compared alongside those of similar property, and therefore we consider the level of uncertainty attached to our opinion of value to be medium

Neither the whole nor any part of the report nor any reference thereto may be included in any document, circular or statement without our written approval of the form or context in which it appears.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.



## VALUATION CERTIFICATE

### LA CLEF TOUR EIFFEL, FRANCE

<b>Property</b>	<b>La Clef Tour Eiffel, Paris</b> (the 'Property') 83 Avenue Kleber, 75116 Paris, France
<b>Location</b>	<p>La Clef Tour Eiffel (the 'Property') is located at 83 Avenue Kleber, 75116 Paris, France. The subject Property is located between the Arc de Triomphe and the Place du Trocadero, in the heart of Paris.</p> <p>Located on the right bank of the River Seine, just north of Paris's iconic Eiffel Tower is La Clef Tour Eiffel, a serviced-apartment property.</p>
<b>Property Description</b>	The subject Property comprises 112 units and extends to 10,186 m <sup>2</sup> GFA. There are three categories of rooms, namely Classic, Superior and De Luxe, and four categories of apartments, namely Executive Studio, One-bedroom De Luxe, Two-bedroom De Luxe, and Eiffel Tower. The Property also offers amenities as breakfast room, lounge area, fitness centre, and meeting facilities. The Property leases out a restaurant with direct access from the lobby.
<b>Registered Owner</b>	According to the information provided by the Management, the Property is owned by Ascott Kleber SNC, a wholly-owned subsidiary of The Ascott Limited.
<b>Property Interest Valued / Tenure</b>	The Property is held freehold and is subject to a lease agreement with Citadines Arc de Triomphe Operating SAS, dated 1 November 2022.
<b>Gross Floor Area</b>	Approximately 10,186 square metres.
<b>Basis of Valuation</b>	Market Value, "As-is" Basis, Subject to Lease Agreement and after a Capital Deduction of €941,000.
<b>Valuation Approach</b>	Discounted Cashflow Method.
<b>Valuation Parameters</b>	Terminal Capitalisation Rate: 3.25% Discount Rate: 5.4%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>€104,500,000</b> <b>(ONE HUNDRED AND FOUR MILLION FIVE HUNDRED THOUSAND EURO)</b>
<b>Assumptions and Disclaimers</b>	An opinion of value will always involve a degree of subjectivity and uncertainty that will affect the probability that the opinion of Market Value would be the same as the price achieved by an actual sale at the valuation date. Therefore, we are required by the RICS to comment on our level of confidence in the opinion of value reported herein.



The methodology employed in valuing serviced / leased apartments / hotels depends on the accuracy of the historical trading results for the subject Property and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the subject Property.

We consider our projections of future income and expense to be appropriate when compared alongside those of similar property, and therefore we consider the level of uncertainty attached to our opinion of value to be medium

Neither the whole nor any part of the report nor any reference thereto may be included in any document, circular or statement without our written approval of the form or context in which it appears.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.



## VALUATION CERTIFICATE

### HOUSE SAISON SHIJO-DORI, JAPAN

<b>Property</b>	House Saison Shijo-dori (the 'Property') 47-3, et al., Kasaboko-cho, Shijo-dori Abura-no-koji higashi-iru, Shimogyo-ku, Kyoto City, Kyoto, Japan
<b>Location</b>	House Saison Shijo-dori dori (the 'Property') is located at 47-3, et al., Kasaboko-cho, Shijo-dori Abura-no-koji higashi-iru, Shimogyo-ku, Kyoto City. Surrounding areas are commercial areas with rows of high-rise condominiums with shops, office buildings with shops, hotels and low-rise shops. It has a good access to the nearest stations, Shijo Station on the Kyoto Metro Karasuma Line and Karasuma Station on the Hankyu Kyoto Line. These make it easy to go in different directions within the city. It also has a good access to a leading downtown in Kyoto, the area between Shijo-Karasuma and Shijo-Kawaramachi along Shijo-dori. The area has good convenience of life with a lot of shops, restaurants and banks.
<b>Property Description</b>	The subject Property is a multi-family residence with shop, which comprises 190 apartment units known as House Saison Shijo-dori (the subject Property). The subject Property is composed with 1K apartments and the main target for rental of this property is single who prefer to stay close to the city center.
<b>Registered Owner</b>	According to the public register as of June 1, 2022, the Property is entrusted to Sanne Group Japan Trust Company Limited.
<b>Property Interest Valued / Tenure</b>	The property rights valued are trust beneficiary interests of both land and building.
<b>Gross Floor Area</b>	6722.69 square metres.(Area applied in Valuation)
<b>Basis of Valuation</b>	Market Value, "As-is" Basis.
<b>Valuation Approach</b>	Cost Approach and Income Approach. For the Income Approach, Discount Cash Flow Method and Direct Capitalization Method are employed.
<b>Valuation Parameters</b>	Discount Rate(DCF Method): 3.6% Terminal Capitalization Rate(DCF Method): 3.9% Capitalization Rate(DC Method): 3.8%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>JPY 2,950,000,000</b> <b>(TWO BILLION NINE HUNDRED FIFTY MILLION JPY ONLY)</b>
<b>Assumptions and Disclaimers</b>	In accordance with your request and authorization, this writing transmits English translation of our original appraisal report written in Japanese concerning the above referenced property. The appraisal value above is the opinion we have formed as a result of the studies and analysis made based upon our experience in the field of real property valuation.

30 June 2022

Valuation Certificates for Portfolio of  
8 Properties in Asia Pacific and Europe



Submitted herewith is our original report in English containing the pertinent facts and data gathered in our investigation. It is noted that we also enclose our original report in Japanese, and some parts in this report are partially translated and some jargons are arranged in order to set them suitable to English. If any misleading caused by English translation, the Japanese report shall be preferred.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.





## VALUATION CERTIFICATE

### MARUNOUCHI CENTRAL HEIGHTS, JAPAN

<b>Property</b>	Marunouchi Central Heights (the 'Property') 2305, 3-chome, Marunouchi, Naka-ku, Nagoya City, Nagoya, Japan
<b>Location</b>	Marunouchi Central Heights (the 'Property') is located at 2305, 3-chome, Marunouchi, Naka-ku, Nagoya City, Nagoya, Japan. The vicinity area is basically a commercial consisting of mid-high-rise office buildings, high-rise storebottomed apartment, et al. The area is situated at the northwest of Hisaya Odori Station on the Nagoya Municipal Subway Meijo line and Sakuradori line. There is rows of high-rise office building along the main streets, and mid-to-high-rise office buildings and restaurants as well as increasing condominium projects are in behind. The area is not very busy and so relatively calm within the city center. It also has convenience of daily life as there are department stores, boutiques, restaurants, clothing stores, et al. in Sakae. Since several redevelopment projects are ongoing, it is expected that commercial functions such as shops and offices will aggregate more in Sakae in the future. In addition, the area improvement project has been completed in the Hisaya Odori Park in the area, which contributes to have higher potential in both commercial and residential terms.
<b>Property Description</b>	The subject Property is a multi-family residence with store, which comprises 30 apartment units known as Marunouchi Central Heights (the subject Property). The subject Property is composed mainly with 1R, 1LDK and few with 2LDK apartments. The main tenants of this property for 1R and 1LDK are DINKS (Double Income No Kids) who prefer to stay close to the city center.
<b>Registered Owner</b>	According to the public register as of June 1, 2022, the Property is entrusted to Sanne Group Japan Trust Company Limited.
<b>Property Interest Valued / Tenure</b>	The property rights valued are trust beneficiary interests of both land and building.
<b>Gross Floor Area</b>	2,310.32 square metres.(Area applied in Valuation)
<b>Basis of Valuation</b>	Market Value, "As-is" Basis.
<b>Valuation Approach</b>	Cost Approach and Income Approach. For the Income Approach, Discount Cash Flow Method and Direct Capitalization Method are employed.
<b>Valuation Parameters</b>	Discount Rate(DCF Method): 3.8% Terminal Capitalization Rate(DCF Method): 4.1% Capitalization Rate(DC Method): 4.0%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>JPY 721,000,000</b> <b>(SEVEN HUNDRED TWENTY ONE MILLION JPY ONLY)</b>

30 June 2022

Valuation Certificates for Portfolio of  
8 Properties in Asia Pacific and Europe



**Assumptions and  
Disclaimers**

In accordance with your request and authorization, this writing transmits English translation of our original appraisal report written in Japanese concerning the above referenced property. The appraisal value above is the opinion we have formed as a result of the studies and analysis made based upon our experience in the field of real property valuation.

Submitted herewith is our original report in English containing the pertinent facts and data gathered in our investigation. It is noted that we also enclose our original report in Japanese, and some parts in this report are partially translated and some jargons are arranged in order to set them suitable to English. If any misleading caused by English translation, the Japanese report shall be preferred.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.



## VALUATION CERTIFICATE

### S-RESIDENCE GAKUENZAKA, JAPAN

<b>Property</b>	S-Residence Gakuenzaka (the 'Property') 1-1, 2-chome, Shimodera, Naniwa-ku, Osaka City, Osaka, Japan
<b>Location</b>	S-Residence Gakuenzaka (the 'Property') is located at 1-1, 2-chome, Shimodera, Naniwa-ku, Osaka City, Osaka, Japan. The Shimodera 2-chome area is at the edge (the southeast) of the commercial area around Namba Station and not so busy. To the east of Matsuyamachi-suji is an upland and there are prime residential areas such as Yuhigaoka and Shitennoji. Although the nearest train station of the subject is in the residential areas, it is a little far through an uphill. Therefore, it is more common to use Namba Station and Nihonbashi Station. The Shimodera 2-chome area has old workshops on the west side and it looks like slightly a cluttered area.
<b>Property Description</b>	The subject Property is a multi-family residence which comprises 58 apartment units known as S-Residence Gakuenzaka (the subject Property). The subject Property is composed with 1LDK apartments and the main target for rental of this property is DINKs(Double Income No Kids) who prefer to stay close to the city center.
<b>Registered Owner</b>	According to the public register as of June 1, 2022, the Property is entrusted to Sanne Group Japan Trust Company Limited.
<b>Property Interest Valued / Tenure</b>	The property rights valued are trust beneficiary interests of both land and building.
<b>Gross Floor Area</b>	3,014.22 square metres.(Area applied in Valuation)
<b>Valuation Basis</b>	Market Value, "As-is" Basis.
<b>Valuation Approach</b>	Cost Approach and Income Approach. For the Income Approach, Discount Cash Flow Method and Direct Capitalization Method are employed.
<b>Valuation Parameters</b>	Discount Rate(DCF Method): 3.5% Terminal Capitalization Rate(DCF Method): 3.8% Capitalization Rate(DC Method): 3.7%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>JPY 1,300,000,000</b> <b>(ONE BILLION THREE HUNDRED MILLION JPY ONLY)</b>



**Assumptions and  
Disclaimers**

In accordance with your request and authorization, this writing transmits English translation of our original appraisal report written in Japanese concerning the above referenced property. The appraisal value above is the opinion we have formed as a result of the studies and analysis made based upon our experience in the field of real property valuation.

Submitted herewith is our original report in English containing the pertinent facts and data gathered in our investigation. It is noted that we also enclose our original report in Japanese, and some parts in this report are partially translated and some jargons are arranged in order to set them suitable to English. If any misleading caused by English translation, the Japanese report shall be preferred.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.



## VALUATION CERTIFICATE

### S-RESIDENCE NAMBA, JAPAN

<b>Property</b>	S-Residence Namba Viale (the 'Property') 9-2, 3-chome, Motomachi, Naniwa-ku, Osaka City, Osaka, Japan
<b>Location</b>	S-Residence Namba Viale (the 'Property') is located at 9-2, 3-chome, Motomachi, Naniwa-ku, Osaka City, Osaka, Japan. The Motomachi 3-chome area is to the west side of Route #26. There are rows of high-rise condominiums, condominiums with shops and hotels along the road and there are slightly cluttered, mixed areas for commercial, residential and industrial uses with relatively new hotels and hostels. It is within ten minutes' walk to the center of Namba and busy with a lot of restaurants and convenience stores. Due to its good access, there are accommodation facilities and restaurants for foreign tourists.
<b>Property Description</b>	The subject Property is a multi-family residence which comprises 116 apartment units known as S-Residence Namba Viale (the subject Property). The subject Property is mainly composed with 1K apartments and the main target for rental of this property is single who prefer to stay close to the city center.
<b>Registered Owner</b>	According to the public register as of June 1, 2022, the Property is entrusted to Sanne Group Japan Trust Company Limited.
<b>Property Interest Valued / Tenure</b>	The property rights valued are trust beneficiary interests of both land and building.
<b>Gross Floor Area</b>	4,130.45 square metres.(Area applied in Valuation)
<b>Basis of Valuation</b>	Market Value, "As-is" Basis.
<b>Valuation Approach</b>	Cost Approach and Income Approach. For the Income Approach, Discount Cash Flow Method and Direct Capitalization Method are employed.
<b>Valuation Parameters</b>	Discount Rate(DCF Method): 3.5% Terminal Capitalization Rate(DCF Method): 3.8% Capitalization Rate(DC Method): 3.7%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>JPY 1,830,000,000</b> <b>(ONE BILLION EIGHT HUNDRED THIRTY MILLION JPY ONLY)</b>
<b>Assumptions and Disclaimers</b>	<p>In accordance with your request and authorization, this writing transmits English translation of our original appraisal report written in Japanese concerning the above referenced property. The appraisal value above is the opinion we have formed as a result of the studies and analysis made based upon our experience in the field of real property valuation.</p> <p>Submitted herewith is our original report in English containing the pertinent facts and data gathered in our investigation. It is noted that we also enclose our</p>

30 June 2022

Valuation Certificates for Portfolio of  
8 Properties in Asia Pacific and Europe



original report in Japanese, and some parts in this report are partially translated and some jargons are arranged in order to set them suitable to English. If any misleading caused by English translation, the Japanese report shall be preferred.

A list of major assumptions made in the valuation of the property and the imiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.



## VALUATION CERTIFICATE

### S-RESIDENCE SHUKUGAWA, JAPAN

<b>Property</b>	S-Residence Shukugawa (the 'Property') 36-1, Kamizonochō, Nishinomiya City, Hyogo, Japan
<b>Location</b>	S-Residence Shukugawa (the 'Property') is located at 36-1, Kamizonochō, Nishinomiya City, Hyogo, Japan. Kamizono-cho and its vicinity is a residential area consisting of low-to-mid-rise condominiums as well as detached houses. It is a quiet residential area with low traffic city roads. The living environment is favorable with schools and parks nearby. Prefectural Road #82 runs north and south to the west of the neighborhood. There is Koyoen Station on the Hankyu Koyo line to the north. Traffic convenience and commuting convenience is ordinary with good layouts and networks to the city center in the south of Nishinomiya City despite its distance. There is a development project of condominiums and detached houses in a large lot of approximately 30,000 Sqm. It is expected that the neighborhood will be matured as a residential area going forward.
<b>Property Description</b>	The subject Property is a multi-family residence which comprises 33 apartment units known as S-Residence Shukugawa (the subject Property). The subject Property is mainly composed with 2LDK apartments and the main target for rental of this property is family who prefer to have enough space to raise their children.
<b>Registered Owner</b>	According to the public register as of June 1, 2022, the Property is entrusted to Sanne Group Japan Trust Company Limited.
<b>Property Interest Valued / Tenure</b>	The property rights valued are trust beneficiary interests of both land and building.
<b>Gross Floor Area</b>	3,360.41 square metres.(Area applied in Valuation)
<b>Basis of Valuation</b>	Market Value, "As-is" Basis.
<b>Valuation Approach</b>	Cost Approach and Income Approach. For the Income Approach, Discount Cash Flow Method and Direct Capitalization Method are employed.
<b>Valuation Parameters</b>	Discount Rate(DCF Method): 3.6% Terminal Capitalization Rate(DCF Method): 3.9% Capitalization Rate(DC Method): 3.8%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>JPY 795,000,000</b> <b>(SEVEN HUNDRED NINETY-FIVE MILLION JPY ONLY)</b>
<b>Assumptions and Disclaimers</b>	In accordance with your request and authorization, this writing transmits English translation of our original appraisal report written in Japanese

30 June 2022

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concerning the above referenced property. The appraisal value above is the opinion we have formed as a result of the studies and analysis made based upon our experience in the field of real property valuation.

Submitted herewith is our original report in English containing the pertinent facts and data gathered in our investigation. It is noted that we also enclose our original report in Japanese, and some parts in this report are partially translated and some jargons are arranged in order to set them suitable to English. If any misleading caused by English translation, the Japanese report shall be preferred.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.





## VALUATION CERTIFICATE

### SOMERSET CENTRAL TD, VIETNAM

<b>Property</b>	<b>Somerset Central TD</b> Tower A, TD Plaza, Lot 20A, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam
<b>Location</b>	<p>Somerset Central TD (the 'Property') is located at Tower A, TD Plaza, Lot 20A, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam. The subject Property is located along Lê Hồng Phong and Khu Đô Thị Mới, in the heart of city's new Central Business District.</p> <p>The Property is part of the landmark TD Plaza, a modern and luxurious mixed-use development consisting of a five-storey shopping complex, an office block and two towers of residential apartments and serviced residences. It is within close proximity to Sakura Montessori International School, Tyndale International School, Apollo English Training Centre, Big C Supermarket, MediaMart Hai Phong and Hai Phong Stadium. The Property is in the city's new Central Business District with strategic access to the airport, port, the historic city centre and International Hospital Hai Phong. The Cat Bi International Airport and Train Station Ga Hai Phong are a 5-minutes' and 10-minutes' drive away respectively.</p>
<b>Property Description</b>	Opened in 2015, the Property is a 13-storey tower sitting atop a 6-storey podium and has an offering of 132 apartments, including studios, one- to three-bedroom premier apartments with ensuite bathroom. Amenities which guests may enjoy include swimming pool, gymnasium, children's playroom, residents' lounge and carpark.
<b>Registered Owner</b>	According to information provided by the Client, the Property is held by Somerset Central TD Company Limited.
<b>Property Interest Valued / Tenure</b>	The Property is held under a 70-year leasehold title which will expire on 4 November 2075. The property rights valued are the unexpired leasehold interest of 53.4 years in the subject Property, including land, buildings and other improvements including furniture, fixtures and equipment.
<b>Gross Floor Area</b>	Approximately 14,500 square metres.
<b>Basis of Valuation</b>	Market Value, "As-is" Basis, Subject to Management Agreement.
<b>Valuation Approach</b>	Discounted Cashflow Method.
<b>Valuation Parameters</b>	Terminal Capitalisation Rate: 9.0% Discount Rate: 10.75%
<b>Date of Valuation</b>	30 June 2022
<b>Valuation</b>	<b>VND 408,000,000,000</b> <b>(Four Hundred and Eight Billion Vietnamese)</b>

30 June 2022

Valuation Certificates for Portfolio of  
8 Properties in Asia Pacific and Europe



## Assumptions and Disclaimers

An opinion of value will always involve a degree of subjectivity and uncertainty that will affect the probability that the opinion of Market Value would be the same as the price achieved by an actual sale at the valuation date. Therefore, we are required by the RICS to comment on our level of confidence in the opinion of value reported herein.

The methodology employed in valuing serviced / leased apartments / hotels depends on the accuracy of the historical trading results for the subject Property and the level and accuracy of information available in the marketplace in order to determine the current market-wide trading conditions, and to estimate the future trading potential of the subject Property.

We consider our projections of future income and expense to be appropriate when compared alongside those of similar property, and therefore we consider the level of uncertainty attached to our opinion of value to be medium

Neither the whole nor any part of the report nor any reference thereto may be included in any document, circular or statement without our written approval of the form or context in which it appears.

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.



## Addendum 1 – Statement of Assumptions and Limiting Conditions

1. We have relied on information given by the Client and its representatives and have accepted advice given to us on such matters as land titles, easements, tenure, planning approvals, statutory notices, tenancy schedule, site and floor plans, building plans, floor areas, building design, building costs, and all other relevant matters. We have assumed the information given to us as correct and have not conducted independent checks to verify them, and no responsibility is assumed or implied by us. Interested parties are advised to seek further due diligence of qualified solicitors, engineers and other professionals as appropriate prior to making any legal, financial or other commitments. Should it be revealed that any information provided is inaccurate or misleading so that its use would affect the valuation, we seek to be informed of such discrepancies and accordingly reserve the right to amend our assessment.
2. The Property including its land titles, use rights and improvements is assumed to be transferable, marketable and free of any deed restrictions, easements, encumbrances or other impediments of an onerous nature that would affect the value of the Property. We have not conducted independent checks to verify and likewise advice interested parties to engage qualified solicitors to perform such checks and verifications as appropriate.
3. There are no hidden or unapparent conditions of the Property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for these conditions or any engineering that may be required to discover them. We have not considered the existence of potentially hazardous materials used in the construction or maintenance of the buildings, such as asbestos, urea formaldehyde foam insulation, or PCBs. We are thus unable to report that the Property is free from risk in this respect and have assumed that any investigation would not reveal the presence of hazardous materials. The valuers are not qualified to detect these substances and urge the Client to retain an expert in this field if desired. We have not investigated whether the site is or has been in the past contaminated and are therefore unable to warrant that the Property is free from any defect or risk in this respect. Our report is therefore based on the assumption that the land is not contaminated and any specialist investigation would not disclose the presence of any adverse conditions on the site or within the building.
4. The valuation was conducted on a desktop basis. In the course of the previous property inspection, particular investigation has not been made on environmental matters that are either an inherent feature of the Property itself or the surrounding area, which could impact on the property interest. Examples include the historic mining activity or electricity transmission equipment. We therefore value on the assumption that the Property is not affected by any such environmental matters.



5. No cadastral survey of the Property has been made by the valuers and no responsibility is assumed in connection with such matters. Sketches, pictures, maps and other exhibits are included to assist the Client in visualising the Property. It is assumed that the use of the land and premises is within the boundaries of the Property described and that there is no encroachment or trespass unless noted.
6. The Valuation Certificate is neither a structural survey nor a survey on the electrical and mechanical services in terms of both hardware and software. We therefore value on the assumption that the Property is of sound design and construction, and free from any inherent defect. No detailed inspection or tests have been carried out by us on any of the services or items of equipment; therefore, no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We express no opinion or advice upon the condition of uninspected parts and our report should not be read as making any implied representation or statement about such parts. We have assumed that the Property together with the services therein is in a good state of repair and condition and that there are no outstanding items of expenditure required.
7. Valuation report for the Property is accompanied with corresponding list of assumptions and limiting conditions which states assumptions peculiar and pertinent to Property. Interested parties are advised to read the individual report prior to making any legal, financial or other commitments.
8. We have not inspected the Property's city, local and private consents, licences, approvals, permits or certificates for its use and operations. It is assumed that the Property will be in full compliance with all applicable city, local and private codes, laws, consents, licences and regulations (including a fire certificate and relevant alcohol licences where appropriate), and that all licences, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.
9. All mortgages, liens, encumbrances, leases, servitudes, arrears and penalties have been disregarded unless specified otherwise.
10. No portion of this report, in whole or in part, or any reference thereto may be reproduced in any form or included in any document, circular or statement without the permission of HVS, nor shall the report be distributed to the public through advertising, public relations, news, sales, or other media without the prior written consent of HVS.
11. HVS is not required to give testimony or attendance in court by reason of this economic and valuation study without previous arrangements and only when our standard *per diem* fees and travel costs are paid prior to the appearance.
12. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact HVS.



13. The quality of a property's on-site management has a direct effect on a property's economic viability and market value. The financial forecasts presented in this Valuation Report assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the forecast operating results.
14. The estimated operating results presented in this report are based on an evaluation of the current overall economy of the area and neither take into account nor make provision for the effect of any sharp rise or decline in local or economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the Property, it is expected that the prices of rooms, food, beverages and services will be adjusted to at least offset these advances. HVS does not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of typical investors.
15. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based upon numbers carried out to three or more decimal places. In the interest of simplicity, most numbers presented in this report have been rounded. Thus, these figures may be subject to small rounding errors in some cases.
16. Our valuation opinion is current as at the date of valuation. It is likely that the value assessed may be subjected to significant and unexpected changes over a relatively short period due to reasons including, but not limited to, the result of general market movements and/or other factors specific to the subject Property. We are not liable for any losses arising from any of such subsequent changes in value and neither do we accept any liability where our value opinion is relied upon after the expiration of three months from the date of valuation. We shall not be responsible for any delay to the performance of our valuation exercise, where matters beyond our control cause such delay.
17. Valuing real estate is both a science and an art. Although this valuation employs various mathematical calculations, the final estimate is subjective and may be influenced by the consultant's experience and other factors not specifically set forth in this report.
18. It is assumed that the relationship between the currencies used in this report and other major world currencies remains constant as at the date of our fieldwork.
19. Whilst the information contained herein is believed to be correct, it is subject to change. Nothing contained herein is to be construed as a representation or warranty of any kind.
20. Until the time that all of our professional fees and other charges have been paid in full, the draft or final report, which is provided to you as a professional courtesy, remains the intellectual property of HVS and shall not be utilised in attempting to: a) obtain financial capital (whether debt or equity); b) further any litigation, mediation, or arbitration processes; or c) assist the Client in any cause, action or endeavour.
21. If HVS has not been paid in full for its outstanding professional fees and other charges, and the draft or final report is used in violation of this



agreement, HVS will be entitled to seek injunctive relief, monetary damages, and the cost of attorney fees and collection expenses.

22. It is agreed that the liability of HVS, its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations and conclusions expressed during this assignment will be rendered by the staff of HVS acting solely as employees and not as individuals. Any responsibility of HVS is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
23. This assessment and study has been undertaken by HVS as an independent overseas consultant.
24. Throughout this report, 'HVS' refers to the trading name of SG&R Singapore Pte Ltd (Registration Number 199900143N).



## Valuation Certificate

Property	Standard at Columbia 1401 Assembly St. Columbia, SC 29201
Client	DBS Trustee Limited (in its capacity as trustee of Ascott Real Estate Investment Trust) c/o Ascott Residence Trust Management Limited (in its capacity as manager of Ascott Real Estate Investment Trust)
Intended Use	Financial reporting purposes; for use in connection with a public disclosure via a Circular per SGX regulation of the REIT on the Singapore Exchange Securities Trading Limited "SGX"
Type of property	Student Housing, Class A
Property Description	The subject is a proposed 679-bed market rate multifamily student housing property to be constructed on a site area of 0.969 acres or 42,210 square feet. The proposed improvements will consist of one building containing 251,749 square feet of gross building area and 237,435 square feet of net rentable area. The improvements will also include an 811-space parking garage.
Building Assessment	On the date of our property inspection, the subject property was under construction.
Surrounding Infrastructure	The property is located northwest of the University of South Carolina campus and South Carolina State House.
Legal Description	METES AND BOUNDS DESCRIPTION OF 0.969 ACRES: Beginning at a point whose northing is 789572.60 and whose easting is 1988876.31 thence bearing S 69°29'27" W a distance of 53.97 thence bearing S 69°55'33" W a distance of 92.30 thence bearing S 59°55'33" W a distance of 63.41 thence bearing S 59°55'33" W a distance of 52.17 thence bearing N 19°43'40" W a distance of 162.25 thence bearing N 70°15'33" E a distance of 53.00 thence bearing N 70°15'28" E a distance of 208.50



thence bearing S 19°55'22" E a distance of 50.00  
thence bearing S 19°56'22" E a distance of 35.81  
thence bearing S 19°56'22" E a distance of 38.93  
thence bearing S 19°56'22" E a distance of 35.57 to  
the point of beginning.

Legal Interest Appraised

Fee Simple and Leased Fee

Site

0.969 acres; 42,210 square feet

Gross Building Area

251,749 square feet

Net Rentable Area

247,435 square feet

Year of Completion

2023

Condition

Excellent at completion

Basis of Valuation

Market Value

Valuation Approaches

Income Capitalization Approach, Sales  
Comparison Approach, and Cost Approach

Date of Valuation

June 30, 2022

Market Value

\$68,800,000

Assumptions, Disclaimers

This report is being delivered in connection with that certain engagement letter, dated May 10, 2022 between JLL Valuation & Advisory Services, LLC and DBS Trustee Limited (in its capacity as trustee of Ascott Real Estate Investment Trust). This report and limiting assumptions are subject to the terms of the Agreement.

Prepared By

Kai Pan, MAI CRE and John Pryor



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## MARKET RESEARCH REPORT

**MARKET SUMMARY OF THE HOSPITALITY AND  
SERVICED APARTMENT MARKETS OF AUSTRALIA,  
JAPAN, VIETNAM, FRANCE AND THE US**

*DBS Trustee Limited in its capacity as Trustee of Ascott Real Estate  
Investment Trust) c/o Ascott Residence Trust Management Limited*

**Date of Report: 25 July 2022**



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# 1. Vietnam Market Overview

## 1.1. Economic Indicators

Economic Indicators	2020	2021	2022F	2023F	2024F
Real GDP Growth (% Growth)	2.9	2.6	6.6	6.8	6.9
Consumer Price Index (% Growth)	3.2	1.8	2.3	3.2	4.0
Unemployment Rate (%)	2.3	3.2	3.3	2.9	2.3
Foreign Direct Investments, inflows (USD billions)	384.0	408.0	430.4	455.0	482.0

Source: Oxford Economics

- Factors that drive outstanding economic growth for the country include the sustained growth across all economic sectors, huge Foreign Direct Investment (FDI) attraction and large contribution of FDI enterprises in the overall economy.
- Since Vietnam joined the World Trade Organization (WTO) in January 2007, it has sped up trade liberalization and improved market access for exports. Exports and imports both increased and Vietnam's trade surplus continues to be boosted through global integration with FTAs and participation in regional and global organizations such as AEC, EVFTA, CP TPP.
- In addition, suitable changes in Government policies regarding legal framework, foreign investment and, equalization of State-Owned Enterprises have all helped to maintain positive growth rate amid global economic slowdown.
- Vietnam has also been a beneficiary of the ongoing US-China trade war. With higher tariffs imposed between US and China, US importers are sourcing goods from other countries. Vietnam has so far emerged as the largest beneficiary of this diversion in trade flows, gaining an estimated 7.9% of its gross domestic product from the new businesses, according to Nomura International. In addition, Vietnam can take advantages of the trade war to attract more multinational corporations to move to Vietnam as trade war lifts production costs in China.
- The COVID-19 epidemic has affected countries all over the world, including Vietnam. However, Vietnam has been successfully contained of coronavirus enabled the manufacturing sector to normalise faster than most other countries in the region. As such, Vietnam was able to take full advantage of the work-from-home-related global boom in demand for computers, other electronics, and furniture. Vietnam remains a resilient economy as the country is expected to bounce back strongly in 2022.
- Hai Phong, an industrial focused city has leveraged on the favourable manufacturing and trade conditions in Vietnam to become a new investment hub for foreign investments. Hai Phong has surpassed Ho Chi Minh City, Hanoi, and Binh Duong to take the lead in 2021 in attracting foreign investment capital with a registered capital of more than USD 5.26 billion, nearly 3.5 times higher than that of same period in 2020. Cumulatively till December 2021, USD 23.313 billion of FDIs has been drawn into Hai Phong and grew its GDP and industrial production by 12.38% and 20.5% respectively.

## 1.2. Hai Phong Tourism Overview

- Hai Phong's economy is primarily driven by FDIs and the rapid industrialisation of this port city. In addition, tourism has also started to develop as another key component of its economy.
- From 2016 to 2020, the number of total visitors to Hai Phong grew at an average rate of 9.0% per annum. The city welcomed approximately 9.1 million arrivals in 2019 with domestic visitors remaining the dominant contributor, accounting for nearly 90% of total arrivals to the city. However, the amounts of arrivals just reached 3.6 million in 2021 due to the COVID-19 pandemic, down 51% y-o-y.
- Total tourism revenue was VND7,850 billion in 2019, recording a 5-year growth rate of 15% p.a. In 2020, due to the impact of the COVID-19 epidemic, the city only welcomed 7.51 million visitors lead to a total revenue reached VND6,760 billion. In the first 6 months of 2021, the city only welcomed 2.36 million visitors, in which, international visitors are mainly expats working in Hai Phong.
- Hai Phong remains a key tourism attraction thanks to its long coastline, World Biosphere Reserve - Cat Ba Island. In addition, newly developed tourism products including cruise trip on Lan Ha Bay and agricultural tourism in An Lao district are contributing to the rising number of arrivals to Hai Phong.
- Development of Hai Phong – Ha Long – Van Don expressway among other highways helped to improve the city's connectivity to other northern provinces and Cat Ba Island, a popular tourist attraction.
- Upcoming major projects also include Hon Dau Resort & tourist area developed by Him Lam Corp., Cat Ba eco-tourism complex by Sun Group, Do Son golf course by FLC, Vinhomes Vu Yen by Vingroup, Cat Ba Amatina by Vinaconex, Cat Ba – Cat Hai cable car route, or under planning such as Sakura golf course, Doi Rong international tourist area, etc. These projects are expected to significantly raise the number of tourists to Hai Phong.
- Top sources of international arrivals include China, Korea and Japan.

## 1.3. Hai Phong Industrial Overview

- Hai Phong is considered as a the second most productive city in Vietnam after Ho Chi Minh City ("HCMC") and the third largest urban area in Vietnam by population after HCMC and Hanoi. Under the impacts of COVID-19, Hai Phong's GDP growth still accelerated, significantly outgrowing Vietnam's at 12.38% in 2021 – the highest growth among provinces in the country.
- Being one of the largest industrial hubs in Vietnam and a favorable investment destination, Hai Phong has strong industrial development with increasing Industrial Production Index ("IIP") over the years, which increased by 18.15% in 2021. The city was also among the leading provinces attracting the largest FDI and DDI during the past 5 years. In 2021, Hai Phong ranked 2nd in PCI rankings for the first time showing continuous improvements of this city to attract businesses coming to invest in the city.
- Hai Phong is strategically positioned for trade with huge volumes of goods passing through its roads, railways, airport and shipping ports. In 2021, the volume of freight

carried in Hai Phong was 241.2 million tons, up 9.03% y-o-y; volume of freight traffic reached 106,820 million tons.km, up 0.34% y-o-y.

- Under the city master plan, there are 27 industrial parks, covering a total land area of over 10,800 ha. Among which, 13 operating industrial and economic zones are home to 570 projects, attracting US\$ 8.7 billion FDI between 2016 - 2020. The remaining 14 industrial parks are in the pipeline.
- One significant project is Dinh Vu - Cat Hai Economic Zone where nearly two-thirds of total FDI capital into the city was invested in this economic zone. Significant projects here include LG's ecosystem (LGE, LGD, LGI, LGC); Bridgestone; Pegatron; Nipro Pharma; Kyocera; Fuji Xerox; Regina Miracle, the DDI project Vinfast automobile factory complex by VinGroup. Income from new investment in the economic zone will enjoy special tax incentives with a Corporate Income Tax rate of 10% for 15 years while the current standard CIT rate in Vietnam is 20%. Additionally, companies will enjoy full CIT exemption for the first 4 years and a 50% tax reduction for the next 9 years will be applied.
- Rising inflows of both foreign and domestic investment are expected to lead to rising demand for hotel and serviced apartment sectors from business travellers, especially high-end accommodation with facilities that caters to the requirements of expatriates and business travellers.
- According to the Labour, Invalids and Social Affairs Department of Hai Phong, as of August 2021, the number of both newly issued and re-issued work permits in Hai Phong is approximately 35,000. The increase in work permits issued in Hai Phong is one indicator of the potential demand for accommodation in the city.

## 1.4. Hai Phong Market Overview

### Hotel Supply

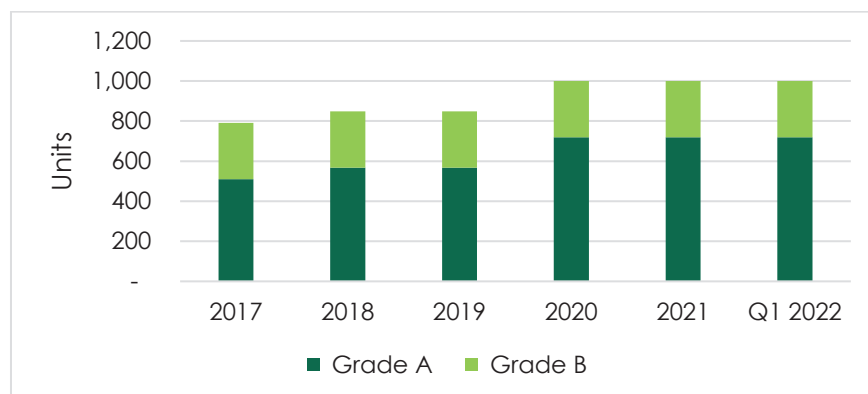
- In Q1 2022 – there are 19 hotels/resorts and 2,390 rooms in 3 to 5-star category. Total supply remains unchanged from 2014 - 2017 period but increased by 37% in 2018 and 2019 with the introduction of a 4-star hotel in 2018 (Mercure Hai Phong) and 2 5-star hotels in 2019 (Vinpearl Hotel Imperial Hai Phong and Vinpearl Hotel Rivera Hai Phong). In 2020, despite being affected by COVID-19, the market welcomed three projects, namely Nikko Hai Phong in Le Chan District and Hotel Perle d'Orient Cat Ba – Mgallery as well as Wyndham Grand Flamingo Cat Ba in Cat Hai District.
- A total of 5 new hotels/resorts, contributing at least 2,000 new rooms are in the pipeline - 1 in Ngo Quyen District; 1 in Do Son District, 1 in Hong Bang District and 2 in Cat Hai districts respectively. Out of the 5 projects, 2 are under construction and expected to complete between 2022 - 2023, while the remaining projects are currently in the planning stage with no certainty for implementation. Future projects are primarily in the 4 to 5-star segments.

### Serviced Apartment Supply

- In Q1 2022, there are a total of 11 serviced apartments projects, which together provide 1,000 units in Hai Phong. Historically, total supply remains unchanged from 2015-2017 before increased by 7% and 17% with the launch of Mercure Hai Phong, a new Grade A project in 2018 and Royent Parks, also a Grade A project, in 2020.
- Compared to other cities, although high-quality serviced apartments ("SA") in Hai Phong are still in short supply; since 2018, the market has welcomed more and more branded international service apartment operators in the market after Ascott in 2015, namely Accor with the Mercure Hai Phong project and Daiwa House with the Royent Parks.
- Notable projects include:
  - Sunflower International Village (300 units) – the first service apartment project in the city built in 1998 with 120 units. It expanded by 60 units in 2008 and 120 more in 2018.
  - Roygent Parks (152 units) – The second largest project; launched in 2020.
  - Camela (15 units) – Smallest project.



Total supply (unit), Serviced Apartment, 2017- Q1 2022



#### Overall Supply in the Surrounding Area

- Being the central district of Hai Phong, Ngo Quyen District is a commercial hub with major office and retail clusters, together with many well-developed public facilities and convenient transportation to surrounding industrial parks and other provinces. It is a most sought-after destination for accommodations in the city, targeted by business travellers and expatriates. The majority of serviced apartments in Ngo Quyen District have always achieved high occupancy of over 90% due to a supply shortage, whilst that of hotels averaged between 50% and 60%.
- Hotel: Currently, over one-fourth of upscale hotels in Hai Phong are concentrated in Ngo Quyen District. In particular, there are 5 hotels/resorts that are 3- to 4-starred, providing 547 hotel rooms to the market. Hotel supply in the district was unchanged since 2011 but rose significantly with the introduction of two 4-star hotels, namely Avani Hai Phong Harbour View Hotel (2014) and Mercure Hai Phong (2018), which were also the only two hotels in the city being managed by international operators then. Within the next 12 months, over 320 rooms from Pullman Hotel are expected to be completed in this district.
- Serviced Apartment: Eight out of eleven serviced apartment projects with nearly 755 units are located in Ngo Quyen District, making up 75% of the total supply. Among these, Sunflower International Village is the first serviced apartment project in the district, was completed in 1998, whilst the newest was Mercure Hai Phong, which opened in 2018. Most of the remaining projects were opened between 2007 and 2015. Over 150 rooms from an expansion phase of an operating project in Ngo Quyen District are expected to be completed this year.



## 1.5. Hai Phong Trading Performance

### Hotel Performance

- Performance of the 3- to 5-star hotels in Hai Phong city declined between 2014 – 2017. But it recovered in 2018 – 2019 due to higher rates offered by the newly opened Mercure Hai Phong and the other two 5-star hotels by Vingroup namely Vinpearl Hotel Imperia Hai Phong and Vinpearl Hotel Rivera Hai Phong.
- Average rent in Q4 2019 achieved over VND1,700,000 per room per night, up 8% Y-o-y, registering a 5-year growth rate at 4% p.a. On the contrary, the new supply has led to the lower overall occupancy in this period, achieving 56% as of Q4 2019, an on-year decline by 5 ppts.
- In 2020, due to the impact of COVID-19, average ADR of Hai Phong 4-5 star hotels sharply declined. During Q2 – Q3 of 2021, due to strict social distancing policy, Hai Phong was prohibited to welcome guest from other provinces that were implementing CT-16 to enter the city. Therefore, market performance for the whole year was hit hard. To be more precise, in 2021, the average ADR for 5-star hotel was recorded at US\$76.0/room/night, down by 5.4% y-o-y. This is compared with Average ADR of 4-star segment, which was recorded at US\$53.4/room/night, down by 22.5% y-o-y. Due to prolonged social distancing, 5-star market occupancy was averaged at 27.7%, down by 5.1 ppt y-o-y. 4-star segment experienced similar trend of declining of 9.3 ppts y-o-y, translated to an average of 29.4% in 2021.
- Entering the third year of being affected by COVID-19, the market at the beginning of the year still showed a downtrend when Q1 2022 marked the highest number of COVID-19 cases in Hai Phong due to the impact of the Omicron wave. As a result, the average ADR for 5-star hotel was estimated at US\$74.2/room/night while that of 4-star hotel was calculated at US\$53.4/room/night. Occupancy rate was also affected in this period as the occupancy rate for 5-star hotel was at 21.5% comparing to 19.8% of 4-star hotel.

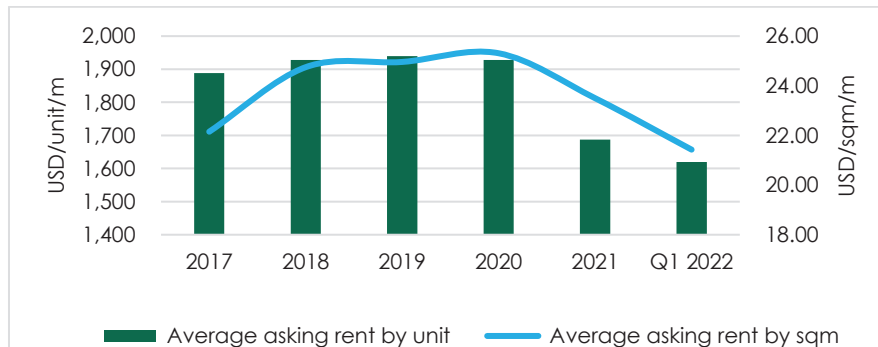
### Serviced Residence Performance

- The average occupancy of serviced apartment projects in Hai Phong showed an upward trend between 2014 and 2019. In 2019, occupancy continued to increase slightly by 1.0% y-o-y to reach 94%. This was supported by a dynamic regional economy and the largest industrial hubs in Vietnam and a favourable investment destination.
- With the effect of the pandemic, 2020-2022 period saw a sharp downward trend regards to average occupancy. Specifically, in 2020, average occupancy dropped to 59.2% as the market hit by the pandemic. In 2021, as the market continued to be affected from strict social distancing measures, average occupancy was at 48.2%. In Q1 2022, average occupancy was recorded at 42.3%, a decrease of 12.9% y-o-y. Even though less tightening social restrictions are being taken, the market has not experienced any remarkable improvement yet.
- Rent grew at an average growth rate of 6.0% per annum during the last five years, at US\$25.60/sqm/month in 2019, up 5.0% y-o-y, with the highest rent offered by Somerset Central TD at US\$29.70/sqm/month whilst the lowest was H-Tower 1 & 2 at US\$16.20/sqm/month. Similar to occupancy rate, average rent also

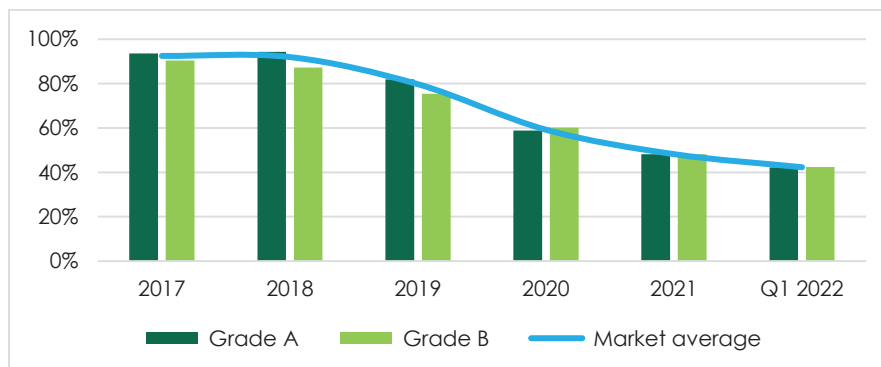
experienced a downward trend during 2020-2021 period. Specifically, average rent dropped to US\$25.31/sqm/month in 2020, and US\$23.50/sqm/month in 2021.

- As the city continued to record high number of COVID-19 case in the first quarter of the year with the Omicron variance, in Q1 2022, rent was recorded at US\$21.4/sqm/month, which is a decrease of 10% y-o-y. Highest rent were offered by Mercure Hai Phong at US\$41.1/sqm/month while the lowest was Camela at US\$9.0/sqm/month.

Average asking rent (by unit/by sqm), Serviced Apartment, 2017- Q1 2022



Occupancy Rate (%), Serviced Apartment, 2017- Q1 2022



## 1.6. Hai Phong Market Outlook

- Serviced apartment and hospitality are promising sectors in Hai Phong thanks to rise in tourism and business travel from greater influx of foreign and domestic investment. Quality serviced apartment is especially desirable due to lack of supply. The city's infrastructure has also undergone significant improvements to accommodate this influx of leisure and business travellers such as:
  - Completion of 4 core infrastructure projects: Hanoi - Hai Phong Highway, Ho Sen – Cau Rao 2 route, Tan Vu – Lach Huyen bridge and Hoang Van Thu bridge.
  - The Hai Phong ports work as both the main sea trade gateway of northern localities of Vietnam and the closest sea route to the Chinese province of Yunnan. Currently, Hai Phong has 98 wharves, including a number of ports able to receive over 100,000 DWT vessels. In particular, the first deep-sea port in the North of Vietnam - Hai Phong International Gateway Port, which opened in May 2018, will be capable of handling 300,000 20-foot equivalent units or TEUs. The port will reduce shipping time to Europe and the US as no transshipments are required. An additional nine terminals are expected to be built between 2020 and 2025 and 23 terminals by 2030. The annual volume of shipped goods was forecasted to increase to 35 million by 2020 and 118 million by 2030.
  - A new terminal in Cat Bi International Airport is expected to raise the total capacity of Cat Bi International Airport to 8 million passengers per annum by 2025. Hai Phong has approved the construction of a new cargo terminal at its Cat Bi International Airport at a cost of VND390 billion (USD17.11 million). Construction is set to begin in the first quarter of 2022.
- Better regional linkage and continuous development of inner-city transportation system is expected to continue being the main driver for Hai Phong economic and tourism industry growth.
- In the short-term, RevPAR and room rates are expected to soften as several large-scaled projects are likely to increase competitive pressures on occupancy levels. Meanwhile, over the mid- to long-term, RevPAR is anticipated to gradually improve as new supply is likely to be well absorbed, supported by rising FDI and business activities which drive demand for accommodation in the city.

## 2. Japan Market Overview

### 2.1. Economic Indicators

Economic Indicators	2020	2021	2022F	2023F	2024F
Real GDP Growth (% Growth)	-4.5	1.6	2.4	1.9	2.1
Consumer Price Index (% Growth)	0.0	-0.2	1.9	1.1	1.1
Unemployment Rate (%)	2.8	2.8	Unavailable	Unavailable	Unavailable
Foreign Direct Investments, inflows (USD billions)	62.7	Unavailable	Unavailable	Unavailable	Unavailable

Source: Cabinet Office of Government of Japan; IMF; World Bank, Bank of Japan

- Japan's real GDP recorded a significant growth rate of +4.6% on an annualized quarter-on-quarter basis in the last quarter of 2021 but was +1.6% for the full year due to weak consumer spending caused by the intermittent declaration of a state of emergency until September. Despite a slow pickup in capital investment, the fourth quarter saw a recovery in consumer spending and a temporary relief in supply due to an easing of parts shortages caused by supply chain disruptions, which led to normalization of economic activity toward the end of the year.
- The IMF forecasts a GDP growth of +2.3% in 2022 for Japan, but the global economy remains uncertain due to strong downward pressures on economic activity including global inflation and interest-rate hike of the West compounded by the geopolitical tension. How these uncertainties have an impact on Japan's economy remain to be seen.
- For job market, according to the figure published by the Ministry of Internal Affairs and Communications, the average number of unemployed people in 2021 decreased, and accordingly, the average jobless rate went slightly down from last year to 2.8% in 2021.
- Separately, in FY2021, Japan saw the first improvement in its average job availability ratio in three years, which went up at 1.16, against the backdrop of the gradual economic recovery from the impacts of the pandemic, though the figure was still low compared with pre-pandemic levels, which registered 1.55 in FY2019.
- FDI in Japan, for which 2021 data is not available as of date when this report is written, reached a record high in 2020, but is expected to turn sluggish in 2021 according to Japan External Trade Organization.
- With regards to FDI, in June 2021, the Council for the Promotion of FDI in Japan decided on the "Strategy for Promoting Foreign Direct Investment in Japan," and set a new target of "aiming to increase the stock of FDI in Japan to 80 trillion yen or 12% of GDP by 2030." The strategy has three pillars: (1) Creation of new digital and green markets and construction of innovation ecosystems; (2) Acceleration of the development in business environments in response to global environmental changes; and (3) Improvement of the investment environment through public-private partnerships that take advantage of regional strengths.

## 2.2. Japan Population Overview

- Japan had a population of 125.4 million at the end of 2021. It peaked at 128.1 million in 2008 and has gradually decreased due to declining birth rates. Population is anticipated to fall below 100 million in 2053 according to the medium-fertility, medium-mortality scenario forecast by the government.
- Japan faces aging society and shrinking workforce. The median age in 2022 was 47.3; much higher than the global median of 30.63. Population over 65 years old was 36.2 million, 28.8% to total, a record high. Japan working age population has dropped to the lowest in post-war, accounted only 62.1% of the total in 2021.
- The Government of Japan has softened the foreigner residence policy to allow for workers in designated industries to work in Japan. A total of 2.8 million foreign residents was registered in June 2021, though the number has decreased with the COVID-19 pandemic having impacted on the migration.
- The top ten prefectures by GDP are also the top ten in population. Latest population distribution figures (2020) show these top 10 prefectures comprise 59.7% of the total country population. Greater Tokyo (Tokyo, Kanagawa, Saitama, Chiba) has a total of 29.3% of overall population and Greater Osaka (Osaka, Kobe and Kyoto) has 13.4%.
- According to data from United Nations, the population density in Japan is 346.9 people per square km, and urban population ratio of Japan reaches 92.0%.

## 2.3. Japan Market Overview

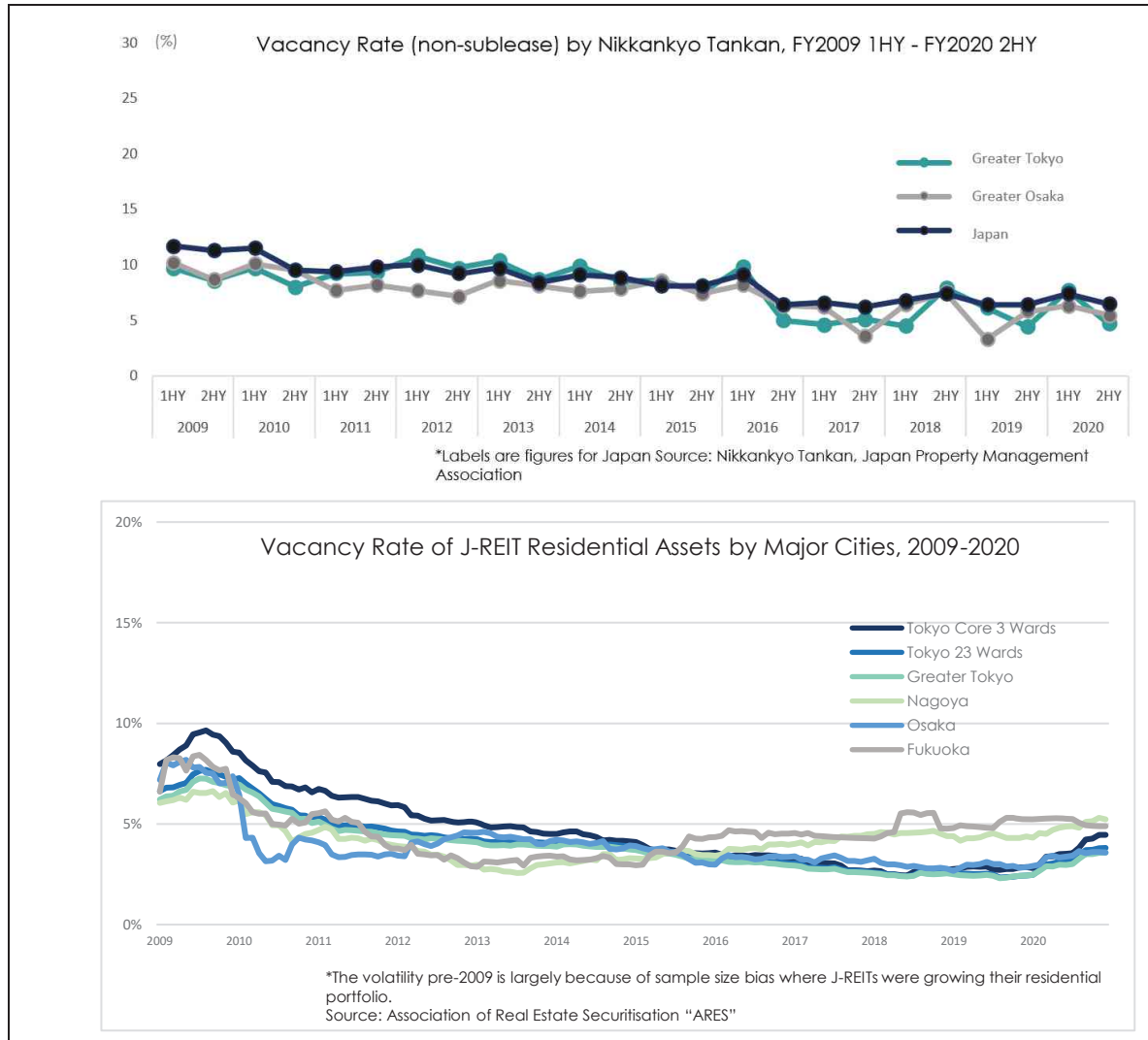
### Housing Supply & Demand

- In 2018, nearly 30% of housings in Japan, around 62 million housings, were located in the Greater Tokyo area, and around 14% were in Greater Osaka area, i.e. Osaka, Hyogo and Kyoto prefectures. This is proportional to the population distribution of Japan.
- From the perspective of home ownership, approximately 36% of housing units were private or public rental housing while 61% were owner-occupied in 2018. Of around 894 thousand housing starts recorded in 2021, around 320 thousand (36%) were built for rental. The construction of rental housing had seen stable growth from 2011 to 2017, though it started to decline in 2018.
- While Japan's population declined since 2008, vacancy and price-to-income index had indicated a growing demand for rental housing because of shrinking household sizes and lower housing affordability, though the trend in the future remains to be seen.

### Vacancy Trend

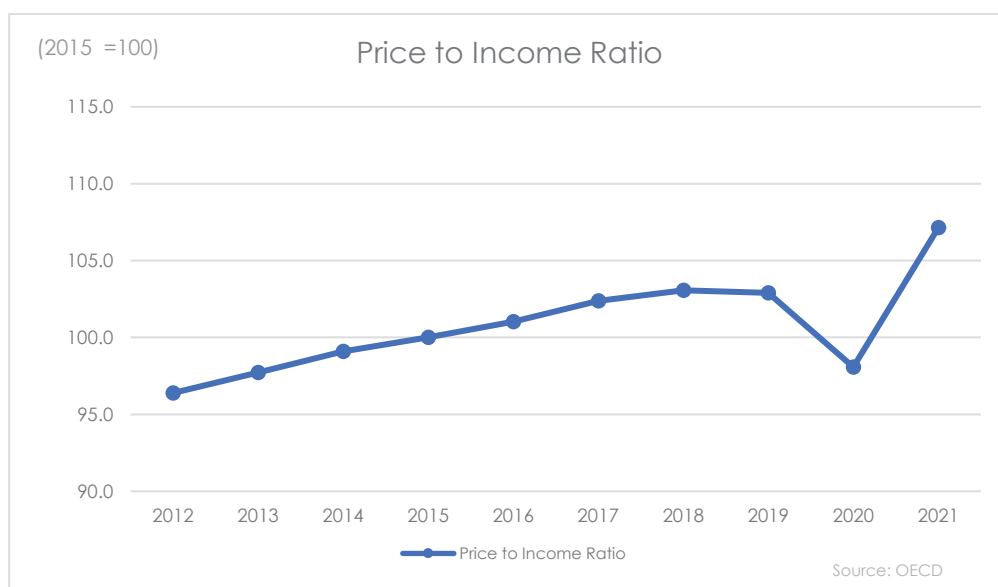
- The overall housing vacancy rate was 14% and that for rental housing was 19% in 2018 according to the government source. Both had shown a gradual increase since 1970s and turned stable since 2008. These figures included nearly abandoned homes built during Japanese economic boom half a decade ago which have been not on the market, and that is why the figure other sources mentioned below.
- Japan Property Management Association ("JPMA") collects vacancy rate data through members' survey. In last half year of FY2020, the vacancy rate is 6.5% among properties managed by JPMA members.

- Association of Real Estate Securitisation ("ARES") also releases vacancy rate data for J-REIT residential assets by major Japanese cities. Excluding results with sample size bias in the first few years, vacancy rates stay at around 5%. Investment-oriented apartments have a further lower vacancy.



### Price-to-Income Ratio

- Price-to-income-ratio is a factor for one's decision to whether buy or rent. If the index goes up, it would imply that house prices grow faster than income and households are less willing to buy. Conversely, households are encouraged to buy if index went down.
- Index of Japan was at 107.15 in 2021, while slightly dipped from previous year, it was 7.15 points up from 2015, as of published information by Organisation for Economic Co-operation and Development. This implies price is growing faster than income and household have a higher preference to rent rather than buying.



#### Average Stay of Tenants

- The reports by the government have indicated that over 96% of residential leases are standard (rolling) leases which offer tenants automatic renewal rights. With a tenant-favourable lease type and a usual lease term of two years, tenants tend to live more than one lease term.
- Only less than 10% of residents stay for less than two years in each category of general residents, i.e., not rented by company and non-foreigners.
- The average stay of single tenants is 2 to 4 years, and that of family tenants is 4 to 6 years according to the survey by Japan Property Management Association. Overall, there is little regional variation and these figures hold true irrespective of where they live in Japan all in all.
- Even due to their short-stay nature, around 70% and 80% of foreigners and company tenants stay for more than two years.

## **2.4. Japan Sub-market Overview: Osaka, Hyogo, Kyoto and Nagoya**

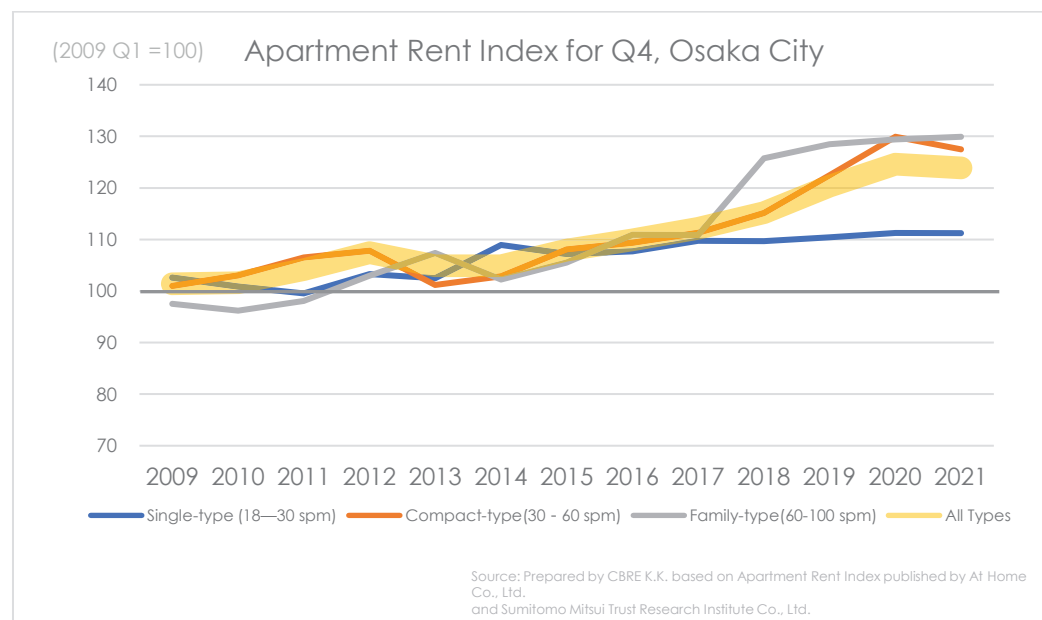
### Osaka

- Population of Osaka City was over 2.74 million as of January 2022. While population had declined from 1965, it had risen in 2000 due to larger net migration compared to natural decline in population. It is, however, projected to drop to 2.5 million in 2045. Despite the expected decreasing population, the average household size of Osaka city decreased from 1.90 in 2015 to 1.81 per household in 2020, which will likely demand for single and compact type housing.
- There were 32,886 new housing starts in Osaka City in 2021. 55% were built for rental. Supply in Osaka in terms of housing starts dropped on the global financial crisis in 2007 but has recovered gradually.
- In Osaka City, according to Rent Index shown below, rent has been gradually rising since the start of the rent index record in 2009 for all housing categories, though temporary downward adjustments were seen in specific periods especially in the face of the COVID-19 pandemic.

- Although family type rent modified downwards in Q3 2019 after a significant upsurge in 2018, it has constantly recorded growth with relatively less impact of the COVID-19 pandemic. The most pandemic-remote type has been compact type, which has grown even during the pandemic. Overall, it is safe to say the position as an economic and financial centre of West Japan supported the rent growth in the city.
- Another reason of the sustained growth is that Osaka is benefited from the relocation and geographical diversification of enterprises after the Great East Earthquake in the first half decade.
- Rent index in Osaka City for all types is 123.89 as of Q4 2021. The level is much higher than the other major cities, though the trend afterwards remains to be seen given the change of lifestyle caused by the COVID-19 pandemic.

There are two subject properties in Osaka:

- One is in Motomachi; approximately 1 km south of Namba station. Subject property has good location with proximity and easy accessibility to a major shopping district, Namba and Shinsaibashi. Surrounding environment is a mixed commercial area consisting of mid to high-rise apartment buildings and medium rise office buildings. Demand for rental accommodation is strong as it is within walking distance of said shopping districts and are mostly catered to single and compact type guests. It is expected the property will follow the trend of Osaka.
- The other in Shimodera; approximately 5-minute walk from Shitennojiyuhigaoka station on the Osaka Metro Tanimachi Line and 900m from Namba station of Nankai line. Surrounding environment is a mixed commercial area consisting of high-rise apartment buildings, medium-rise office buildings, and roadside stores. It is expected the property will follow the trend of Osaka.





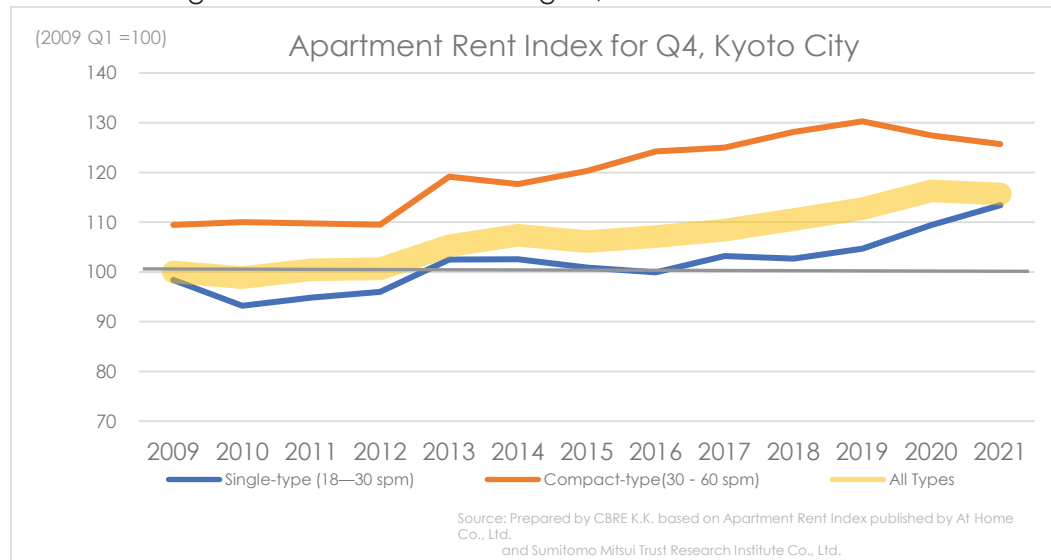
## Hyogo

- Hyogo Prefecture consists of its capital Kobe City, several cities locating next to Osaka including Nishinomiya and Amagasaki, among others, and a large countryside area in the north.
- Population of Hyogo Prefecture was over 5.42 million as of 1st January 2022. With less universities/colleges and comparatively less job opportunities than other major regions, the prefecture has had a negative net migration from 2010 all in all. Population peaked in 2005 and forecasted to drop to 4.94 million in 2035. While population is expected to decline, the average housing size is projected to decrease from 2.35 in 2015 to 2.09 in 2040, so the demand for single and compact type is expected to remain relatively stable.
- There were 30,889 housing starts in Hyogo Prefecture in 2021. 33% were built for rental. Supply in 2020 in terms of housing starts have dropped by 23% from 2007 pre-global financial crisis level.
- According to a private source of a property company, the rent in Nishinomiya where the subject property is located has gone up for at least a decade. Though that data is not publicly corroborated, given its proximity and position as a commuter town to Osaka City, it is safe to say that the trend in Nishinomiya is, overall, following the trend of Osaka City.
- Subject property is in Nishiminoya City of Hyogo Prefecture, within 30 minutes commuting distance of both Sannomiya in Kobe City and Umeda in Osaka City. Express trains stop at Shukugawa and Nishinomiya-Kitaguchi Station within the city. Express trains run every 10 minutes, with additional local trains in between. Its convenience coupled with its favourable living environment makes this a popular area for families.

## Kyoto

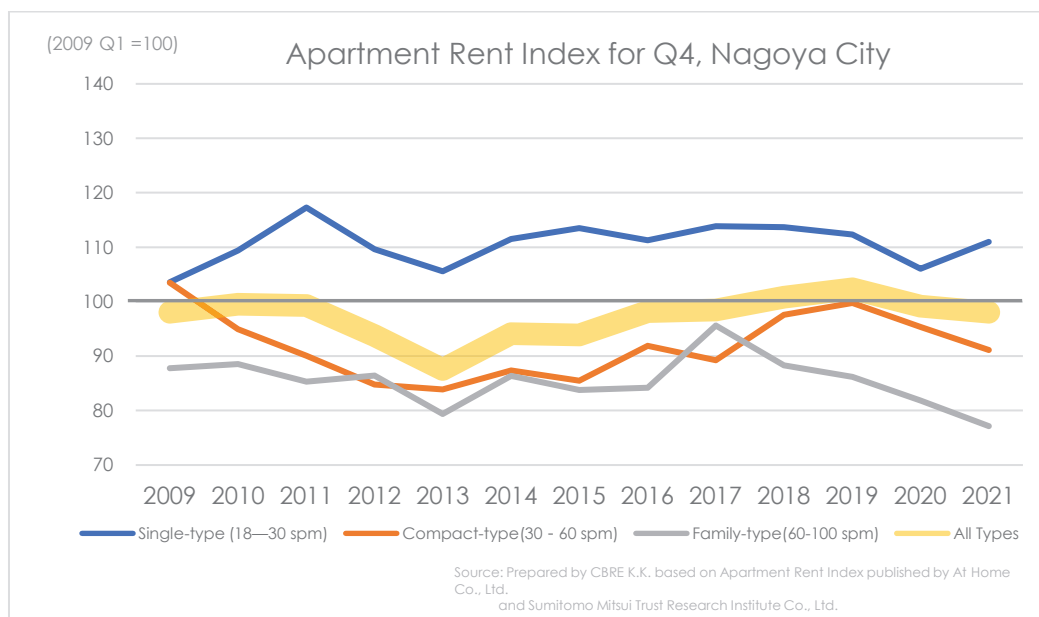
- Population of Kyoto City was 1.45 million as of 1 January 2022. Kyoto City houses plenty of universities and colleges which largely attract students, but graduates leave for jobs. The city was most populated in 1984 and population remained almost steady afterwards. Following a national trend of population decline, it is forecasted to drop to under 1.30 million in 2045. The average household size of Kyoto Prefecture is also projected to shrink to 2.25 in 2030, which serves as an indicator that demand for single and compact type rental housing is likely to remain stable compared to family type.
- There were 10,495 housing units started construction in Kyoto City in 2021. 49% were built for rental. Housing starts of Kyoto had been decreasing since 2014, but went up in 2021 presumably due to resumption of the constructions pending in 2020 in the face of the COVID-19 pandemic.
- Kyoto has an exceptional historic value for being the imperial capital in the past. With such significance, there are also strict building restrictions in the city area. Thus, family type residence for rental is relatively uncommon in Kyoto and relevant rent index is not provided.
- Like the trend in Osaka, while there have been some fluctuations, Kyoto's rents have grown gently upwards. Given the background that Kyoto houses many universities, single type has grown steadily all in all, even during the pandemic. Compact type, on the other hand, has experienced a drop in the face of the pandemic.

- Subject property located in Kasaboko-cho; within 6-minute walk of Shijo Station, Karasuma Station and Omiya Station. It is a commercial district with a mix of low to medium-rise stores, office buildings, medium to high-rise residential complexes, and hotels along both sides of Shijo Dori. The area around Shijo Karasuma is one of the leading financial districts of the region, with several banks and securities companies.



### Nagoya

- Nagoya's population was 2.32 million as of 1 January 2022, a 6.5% up in 10 years. It is projected that there will be 1.5% less population in 2035, as a mixed result of increasing foreign migrant workers in the manufacturing industry and the decreasing natural population. The average household size in Aichi Prefecture is comparatively larger than Osaka Prefecture and is forecasted to decline from 2.39 in 2017 to 2.32 in 2030.
- Exceptionally in Japan, Nagoya has recorded an increase in population for decades and the number is forecasted to have sustained growth in the coming years, though it is projected to decline from longer perspective. Rather than improvement in birth rates, it is more about a positive net migration. The reason for that is Toyota is headquartered in Aichi Prefecture, and there are a lot of factories and offices related to the car industry. Accordingly, the region needs clusters of employees. Nagoya is the main city in Aichi Prefecture, all of which has contributed to the sustained growth of population for decades.
- There were 25,345 housing units started construction in Nagoya City in 2021. 42% were built for rental.
- Rent level in Nagoya is relatively volatile compared to other regions. While the rent index for all types had experienced the slightly downtrend from 2009 to 2013, it gradually recovered towards 2017, after which it has been levelling off. For the family type, except for the upsurge in 2017, the rent index, all in all, has gone down from the start of the record. Single type was hit during the pandemic, but has recovered in 2021.
- Subject property situated in central business district (CBD) of Nagoya; and within a 6-minute walk to both Marunouchi Station of Metro Sakuradori and Tsurumai lines and Hisaya Odori Station of Metro Sakuradori and Meijo Lines. There is a strong demand from office workers for its proximity to the CBD and accessibility. It is expected the property will follow the trend of Nagoya.



## 2.5. Japan Market Outlook

- When considered in conjunction with the steadily rising vaccination rate, as well as the nationwide lift of the semi-state of emergency in March 2022, a progress is being made toward a resolution to the pandemic.
- Although central banks around the world announced the raising of its benchmark interest rate, the Bank of Japan (BoJ) continues to maintain its monetary easing policies by keeping the upper limit for long-term interest rates at 0.25%. This disparity suggests that the spread of real estate investment yields against interest rates is likely to be maintained at a relatively higher level in Japan than overseas. Continued expansions of the interest rate gap are also anticipated to further weaken the yen, which should basically work as a positive factor to encourage investment in Japanese real estate by foreign investors.
- Japan faces issues of ageing and shrinking population, and accordingly, the household size is forecasted to keep decreasing towards 2040 and the number of single households to keep growing until at least 2030 with regional variation. The gradually expanding number of single households is projected to support the growth of the residential rental market for single for at least a mid-term future.
- While a population decline is observed in the country, this does not apply to every region and time frame. For example, Nagoya has recorded an increase in population and it is forecasted to increase at least until 2024. Moreover, following the national trend, the natural population decrease will continue, but the social increase of population is projected to sustain in Nagoya for a foreseeable future.
- In the prefecture level, while statistics show a large proportion of cities losing population, there is variation in pace and quantity from city to city. Generally speaking, the decline is seen to be much slower when looking towards the capital cities of prefectures as, for example, they tend to benefit from a positive net migration as seen in Nagoya. In addition, it is believed some regional cities would attract extra people

moving in with mega-scale projects and redevelopments initiated. For example, Osaka is awarded Expo 2025 and related infrastructure projects are planned. Osaka City is also exploring to open its first casino, and if it turns out well, the related industry will attract workers, which would contribute to absorption of the rent housing supply. In fact, the population of the central 9-wards of Osaka is expected to increase according to the municipal source. Redevelopment projects are scheduled in Sannomiya area of Kobe City as well. All these could be contributing factors for vacancy to remain low with the consistent demand for housing.

- In terms of the rental housing supply, Japan was exposed to a massive downward pressure from 2007 to 2010 both in the face of the global financial crisis and the Great East Japan Earthquake, but there had been seen a gradual growth by 2017 before the number started to decline again. Reports from various sources has indicated that there has been a supply disruption and the surge in construction cost. Much attention needs to be paid to how the supply will be affected by such factors.
- On a positive note, according to a report related to the property market, around half of those who seek rent show an interest in disaster-proof housing and/or high-performance housing. Going forward, quality is expected to replace quantity, and supply of qualitative housing is expected to increase.
- As seen in this report, rents in the major markets have continued to grow. Hybrid-working style, which was brought about by the COVID-19 pandemic, is expected to make more people interested in leaving cities to live in suburb areas, and accordingly, rents in the central areas of major cities might experience some adjustment. However, this will just happen in the Greater Tokyo, Osaka and Nagoya, and does not necessarily mean people moving towards rural areas. All in all, it is unlikely that the new lifestyle brought in by the pandemic will suppress rents in the Greater areas.
- Also in the near- to mid-term future, more consideration will be taken on traffic convenience whether it is a center city or suburb area. Although the national population is projected to go down, the population and household numbers are expected to increase in conveniently located areas. Price-to-income ratio shows house price has been growing faster than incomes which encouraged households to rent rather than buy as well. However, given the economic and geopolitical disorder we have experienced recently, much attention should be paid how the trend in the future will be panning out.

## 3. Australian Market Overview

### 3.1. Economic Indicators – Oxford Economics

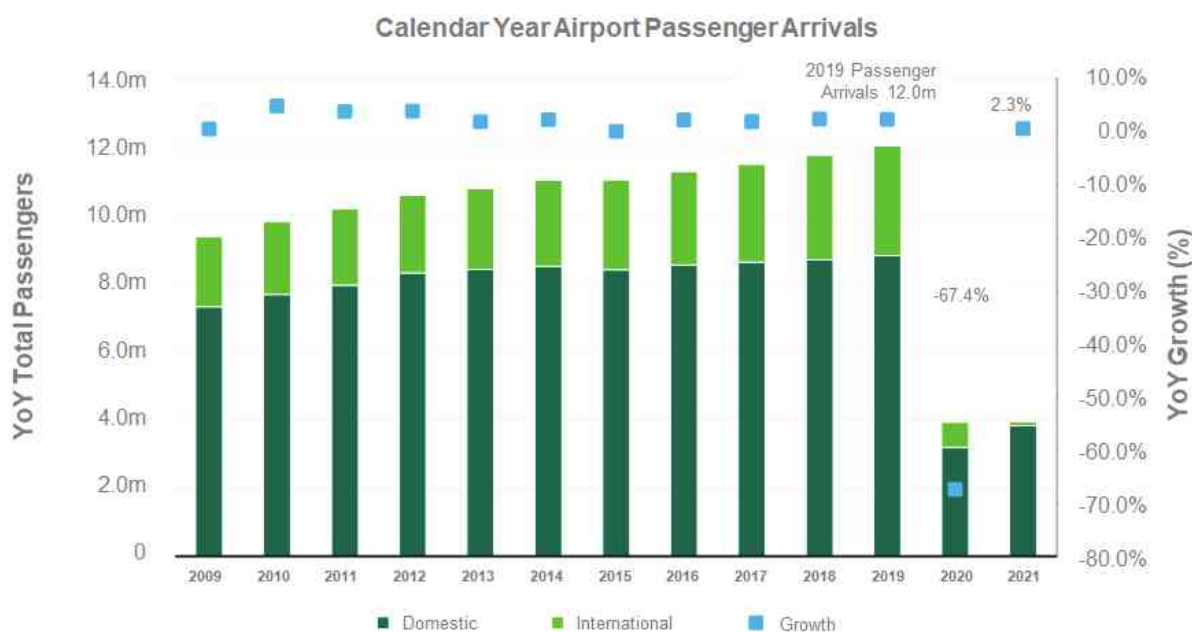
Economic Indicators	2020	2021	2022F	2023F	2024F
Real GDP Growth (% Growth)	-2.1	4.9	4.0	2.9	3.2
Consumer Price Index (% Growth)	0.9	2.8	5.8	3.4	2.4
Unemployment Rate (%)	6.5	5.1	3.9	4.0	4.0
Foreign Direct Investments, inflows (USD billions)	18.7	2.91	112.3	49.2	53.2

*Forecasts of various economic indicators - Source: Oxford Economics*

- The Australian economy staged a strong recovery in late 2021 and timely indicators suggest economic activity has remained resilient in early 2022. GDP growth in 1Q 2022 was +3.3% and the Reserve Bank estimates it will be 4.25% for fiscal 2022.
- The underlying strength in the economy has been particularly evident in the labour market, where conditions are the most robust in many years. The unemployment rate declined to 4 per cent in March 2022 and job advertisements on SEEK platform are at a record high of 220,000. Around three-fifths of firms in the Reserve Bank of Australia's liaison program intend to increase headcount over coming months. Wage growth expectations are most elevated in the Hospitality and Retail sectors.
- Strong labour demand and fiscal measures are supporting growth in household income, although recent large increases in food and energy prices are having a significant negative impact on household budgets.
- More broadly, the increase in commodity prices following Russia's invasion of Ukraine has boosted national income, mainly in the form of elevated profits for companies in the resources sector and higher government tax revenue.
- Inflation has picked-up throughout 2022 and has in turn seen the Reserve Bank of Australia hike interest rates by 0.75%, as at June 2022. There is scope for further hiking to contain inflationary pressures.
- Airport passenger volumes have started to recover, with March 2022 at 7.8m. However, this is still 41% below comparable 2019 level. International air travel is currently at 21% of 2019 level and offers scope for significant growth as international tourism returns to Australia.

### 3.2. Brisbane Tourism Overview

- Brisbane is the capital city of Queensland and the southern international gateway to the State. Brisbane also benefits from its central location between the Gold Coast and the Sunshine Coast, operating as a transient stop over for both destinations.
- Historically, tourism contributes over AUD \$12.8 billion annually to the Queensland economy, accounting for 3.9% of Queensland's gross state product (June 2019).



*Calendar Year Airport Passenger Arrivals – Source: BITRE, 2021.*

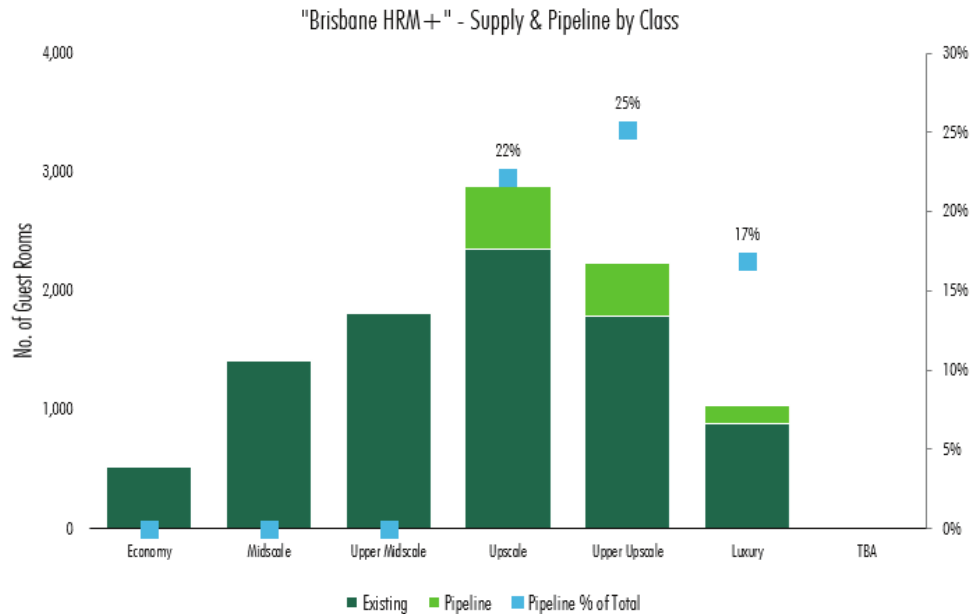
- In the year ending December 2021, international visitor numbers to Brisbane represented approximately 2% of total visitors to Brisbane and approximately 25% of total visitor nights.
- Prior to COVID-19, international visitation represented around 18% to 20% of total visitors to the Brisbane region between 2016 and 2019.
- Historically, international visitor numbers had experienced consistent annual growth, increasing by an annual average of approximately 8.31% from 2016 to 2019.
- In 2019, international visitation to Brisbane experienced an increase of 9% over the previous year, while visitor nights increased by 7%.
- For the year end December 2020 and 2021, international visitors and visitor nights have decreased significantly due to international border closures following the outbreak of COVID-19.

- Brisbane's major cultural, sporting and entertainment events include:
  - Royal Queensland Show - Ekka
  - Mercedes Benz Fashion Festival
  - Brisbane's Sunsuper Riverfire
  - State of Origin
  - Brisbane Convention Centre Expo's
  - Suncorp & Gabba Stadium Events
- Recently completed infrastructure projects include;
  - \$650 million Public Transport Upgrade – Including Kingsford Smith Drive
  - Howard Smith Wharves Ferry Terminal
- Current proposed major infrastructure projects and development under construction include;
  - Proposed Brisbane Live Project (currently mooted).
  - Cross River Metro Rail
  - Dexus' Eagle Street Pier Business & Leisure Precinct.
  - Kangaroo Point Green Bridge
  - \$177 million International Cruise Terminal
  - \$3.6 billion Queens Wharf Precinct Development
  - Proposed \$125 million New Performing Arts Venue (NPAV) – QPAC Attachment
  - \$1.1 billion Herston Quarter Staged Project
  - RNA Events Showgrounds Redevelopment
  - Victoria Park Redevelopment - Cultural Hub Destination

### **3.3. Brisbane Market Overview**

#### Supply

- According to STR, as of December 2021, there were 272 properties and 20,311 rooms in the Brisbane accommodation market (including Serviced Apartments). This is based on the accommodation properties which subscribe to STR.
- Of the above properties, there were 65 properties and 8,384 rooms in "Brisbane HRM+" (as of December 2021). This is based on the inner city Brisbane Hotels, Resorts and Motels (excluding Serviced Apartments) which subscribe to STR.



- Based on CBRE Hotel's ongoing research in relation to the Brisbane accommodation supply pipeline there are currently 1,019 rooms which are currently under construction. A summary of these hotel developments is displayed as follows:

Property	Address	Accommodation Type	Scale	Status	Proposed Rooms	Assumed Opening
The Star @ Queens Wharf	Queens Wharf Road	Hotel	Upper Upscale	Under Construction	340	Jun-23
Dorsett @ Queens Wharf	Queens Wharf Road	Hotel	Upscale	Under Construction	359	Mar-24
Rosewood Brisbane @ Queens Wharf	Queens Wharf Road	Hotel	Luxury	Under Construction	150	Mar-24
Hyatt Place Brisbane South City Squar	Woolloongabba	Hotel	Upscale	Under Construction	170	Jan-25
<b>Total</b>					<b>1,019</b>	

Source: STR Data, Cordell's & CBRE Hotels.

- We note the former Ibis and Mercure hotels have recently been refurbished and rebranded to voco Brisbane City Centre and Hotel Indigo Brisbane City Centre, and re-opened in May 2022 and June 2022 respectively.
- The existing Treasury Hotel is also proposed to be refurbished and rebranded as part of the Queens Wharf development opening in 2025.

### 3.4. Brisbane Trading Performance

#### Historic Performance (2016-2021 YE December)

- Detailed in the following table is an analysis of the historic performance of the Brisbane accommodation market (YE December 2016 to 2021).

YE December	Occupancy	Growth	ADR	Growth	RevPAR	Growth
2016	71.67%	-2.58%	\$159.45	-7.53%	\$114.27	-9.91%
2017	73.47%	2.51%	\$156.75	-1.69%	\$115.15	0.78%
2018	71.19%	-3.10%	\$155.57	-0.75%	\$110.75	-3.83%
2019	72.39%	1.69%	\$158.02	1.57%	\$114.39	3.29%
2020	44.96%	-37.89%	\$139.19	-11.92%	\$62.59	-45.29%
2021	50.07%	11.35%	\$165.91	19.20%	\$83.07	32.72%

- Room supply in the Brisbane accommodation market has increased by 19% between 2016 and 2019.

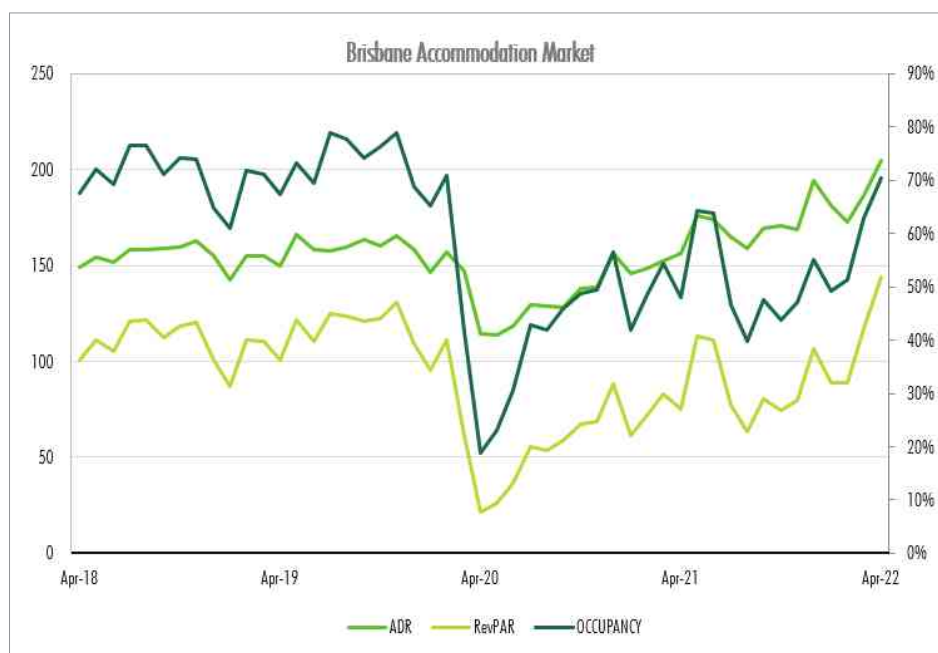


- During the years 2016 to 2019, occupancy fell to the low 70% range as supply outstripped demand. Despite this, room night demand was relatively strong, growing by an average of 6.9% per annum.
- ADR from 2016 to 2018 declined due to the increase in supply and the resultant competitive market, with new properties seeking to obtain market share and older properties striving to maintain market share. During 2019, however, the market reported a growth in ADR of 1.57%.
- For the year ending December 2020, room night demand reduced significantly due to the outbreak of COVID-19, resulting in a RevPAR decline of approximately -45% when compared to the previous year.
- Domestic leisure demand strengthened throughout 2021, particularly the intrastate drive market. This supported the slight recovery in occupancy and an increase in ADR, resulting in a RevPAR of approximately \$83.
- We note the former Ibis and Mercure hotels have recently been refurbished and rebranded to voco Brisbane City Centre and Hotel Indigo Brisbane City Centre, and re-opened in May 2022 and June 2022 respectively.

#### Recent 2022 Performance

- Detailed in the following table is a monthly analysis of the performance of the Brisbane accommodation market for the year to date April 2022 versus the same period in 2021

	Occupancy			ADR			RevPAR		
	2021	2022	Growth	2021	2022	Growth	2021	2022	Growth
January	42.0%	49.2%	17.2%	\$145.9	\$181.3	24.2%	\$61.2	\$89.2	45.6%
February	48.5%	51.3%	5.8%	\$148.6	\$173.0	16.4%	\$72.0	\$88.7	23.1%
March	54.5%	62.9%	15.3%	\$152.4	\$186.7	22.5%	\$83.0	\$117.3	41.3%
April	48.1%	70.4%	46.4%	\$156.5	\$204.5	30.7%	\$75.3	\$143.9	91.2%
<b>YTD April</b>	<b>48.3%</b>	<b>58.5%</b>	<b>21.1%</b>	<b>\$151.1</b>	<b>\$188.0</b>	<b>24.5%</b>	<b>\$72.9</b>	<b>\$110.0</b>	<b>50.8%</b>



### **3.5. Brisbane Market Outlook – “Brisbane HRM +” Accommodation Market**

#### 2022

- We expect occupancy levels to reach approximately 53% in 2022 as there will likely be pent-up demand for travel in this year from a domestic leisure, business, and conferencing perspective. Our forecast is also based on the assumption that the COVID-19 vaccination booster program commenced in 2021 in Australia is successful, allowing restrictions to be eased and eliminate the need for interstate border closures and snap lockdowns.

#### 2023 Onwards

- Additional room supply is expected in 2023 and 2024 with the opening of three new hotels within the Queens Wharf precinct (The Star hotel - 340 rooms, Rosewood - 150 rooms, and Dorsett - 359 rooms), followed by a luxury boutique hotel which will comprise the rebranding and refurbishment of 100 rooms within the existing Treasury Hotel.
- The Hyatt Place Brisbane South City Square (170 new rooms) is also forecast to open in 2025.
- We expect occupancy levels to continue to increase, with demand being generated by the Queens Wharf precinct and the new hotels, together with the range of infrastructure projects currently under construction within Brisbane.
- Moderate ADR growth is forecasted as a result of the ongoing demand and the quality of new product.
- It is expected that older hotels will either be refurbished or converted for alternate uses.

## 4. France Market Overview

### 4.1. Economic Indicators

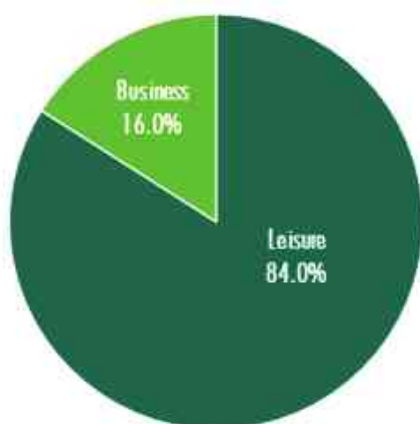
Economic Indicators	2020	2021	2022F	2023F	2024F
Real GDP Growth (% Growth)	-7.9	7.2	2.7	2.2	2.2
Consumer Price Index (% Growth)	0.5	1.6	5.1	1.6	1.4
Unemployment Rate (%)	7.8	7.7	7.3	7.5	7.5
Foreign Direct Investments, inflows (USD billions)	13.3	77.0	26.2	27.0	27.9

Forecasts of various economic indicators - Source: Oxford Economics

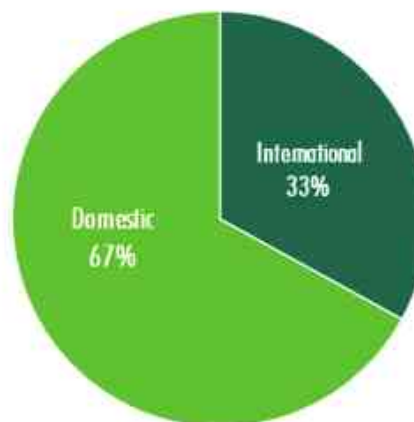
- French economy strongly recovered in 2021, real GDP grew by 7.2% and should grow by 2.7% in 2022. Following the sanitary crisis and the Ukrainian war, economic perspectives has been slightly revised downwards although international arrivals started to recover and foreign direct investments has reached a record year. Supply shortages remain high in industrial and construction industries especially with raw materials, automobile, machinery and equipment which has slowed down production in the country.
- Furthermore, French CPI is expected to reach 5.1% according to recent forecast for 2022. Driven by war, energy and food prices continue to increase whilst supportive measures were put in place to increase consumer purchasing and cushioning the shock of inflation.
- Unemployment rate in France has shown optimism since the pandemic, reaching levels under 8% which tend to continue at a slower pace. Difficulties around recruitment grew by 55% and becomes a greater challenge for industrials and the service industry lacking skill sets.
- FDI in France in 2021 has registered a record number of foreign investment projects, demonstrating French attractiveness right before presidential elections. Job market, French tech innovation, business taxation and tourism will be at the heart of the next 10 years' government plan allowing France to keep its ranking as most attractive country in Europe for FDI projects.
- The French tourism industry is an essential component of the country's economy. In 2019 (latest significant data), tourism accounted for €210.7 billion and a total GDP contribution of around 8.5%.
- The contribution of tourism to the French economy dropped significantly in 2021 due to the COVID-19 outbreak to reach a total of €107.9 billion, representing a 4.7% contribution to the country's GDP.
- Tourism is also an excellent driver of employment for the country, generating more than 2,690 thousand jobs in 2019, representing a total of about 9.5% of France's total employment. However, many workers quit the tourism industry in 2020 (-7.2%), and the country has to face increasing issues to find workforce as unemployment decrease.

## 4.2. Paris Tourism Overview

2020 GDP Contribution  
Leisure vs. Business Tourism



2020 GDP Contribution  
International vs. Domestic Tourism



2020 Contribution by Tourism Mix – Source: WTTC

- In 2020 (latest data available), leisure spending was higher than business spending, accounting for 84% of total expenditure, or €82.5 billion. The COVID-19 outbreak mainly influences this trend and reduces domestic and international business travels around the globe.
- In 2020 (latest data available), international tourism spending will remain well below national spending, representing €32.5 and €66.2 billion, respectively.
- Hotel demand in the Grand Paris area was drastically impacted by the COVID-19 pandemic due to health restrictions and border closures. Hotels recorded a decline in the number of overnight stays of -73.1% between 2019 and 2020. This decrease is explained by two factors: first, the decrease in the number of international arrivals (-79.9% between 2019 and 2020) due to the closure of the borders of a large majority of countries or to the obligation to operate a period of fourteen days on arrival in some countries. Then, a decline in domestic customers (-61.5% between 2019 and 2020) explained by the two periods of confinement in March and November 2020, or the multiplication of remote meetings for business customers.
- Data for 2021 is not yet available, but initial figures show a slight recovery in hotel demand. This is mainly due to the easing of certain sanitary measures, the increase in the number of people vaccinated and the return of some international clienteles thanks to the easing of restrictive measures and the recovery in business demand.
- Prior to COVID-19, the top 10 overseas source markets in 2019 are: USA (19%), UK (8%), Germany (7%), Spain (6%), Italy (5%), China (5%), Japan (4%), Belgium (3%), The Netherlands (3%) and Switzerland (2%). In 2021, the Middle Eastern market has gained few market shares (5.5%) since the pandemic, due to less restrictive sanitary measures.

### 4.3. Paris Market Overview

#### Supply

Paris		2018	2019	2020	2021	2022		CAGR 2018/22
		#	#	#	#	#	%	
1-star	Hotels	23	18	16	22	23	15%	0.0%
	Rooms	1,021	523	426	591	588	0.7%	-12.9%
2-star	Hotels	227	194	174	171	160	10.1%	-8.4%
	Rooms	8,937	7,660	7,188	6,997	6,605	7.9%	-7.3%
3-star	Hotels	700	697	684	696	688	43.4%	-0.4%
	Rooms	31,376	31,464	31,513	31,809	31,559	37.6%	0.1%
4-star	Hotels	368	398	408	426	456	28.8%	5.5%
	Rooms	26,447	27,443	28,511	29,653	30,179	35.9%	3.4%
5-star	Hotels	80	81	89	95	93	5.9%	3.8%
	Rooms	7,274	7,090	7,660	8,016	8,178	9.7%	3.0%
Unrated	Hotels	196	209	243	201	165	10.4%	-4.2%
	Rooms	6,460	8,264	8,505	8,081	6,914	8.2%	1.7%
Total	Hotels	1,594	1,597	1,614	1,611	1,585	100%	-0.1%
	Rooms	81,515	82,444	83,803	85,147	84,023	100%	0.8%

Hotel Supply 2018-2022 - Source: INSEE

- As of 1 January 2022, the city of Paris has 84,023 hotel rooms spread across 1,585 hotel establishments. The number of hotels present in the city has increased by an average of -0.1% per year since 2018. However, the number of hotel rooms has also grown by an average of +0.8% per year since 2018.
- The average number of rooms per hotel in 2022 has remained relatively stable compared to 2021, but with a +0.9% increase over 5 years.
- The number of 5-star and 4-star hotels has been rising sharply since 2018 with an average annual growth rate of +3.8% and 5.5% per year over this period. The average number of rooms for these types of properties, is higher than market average for all properties with 88 and 66 units on average per hotel in 2022.

#### 4.3.1. Paris 16th Arrondissement Market Overview

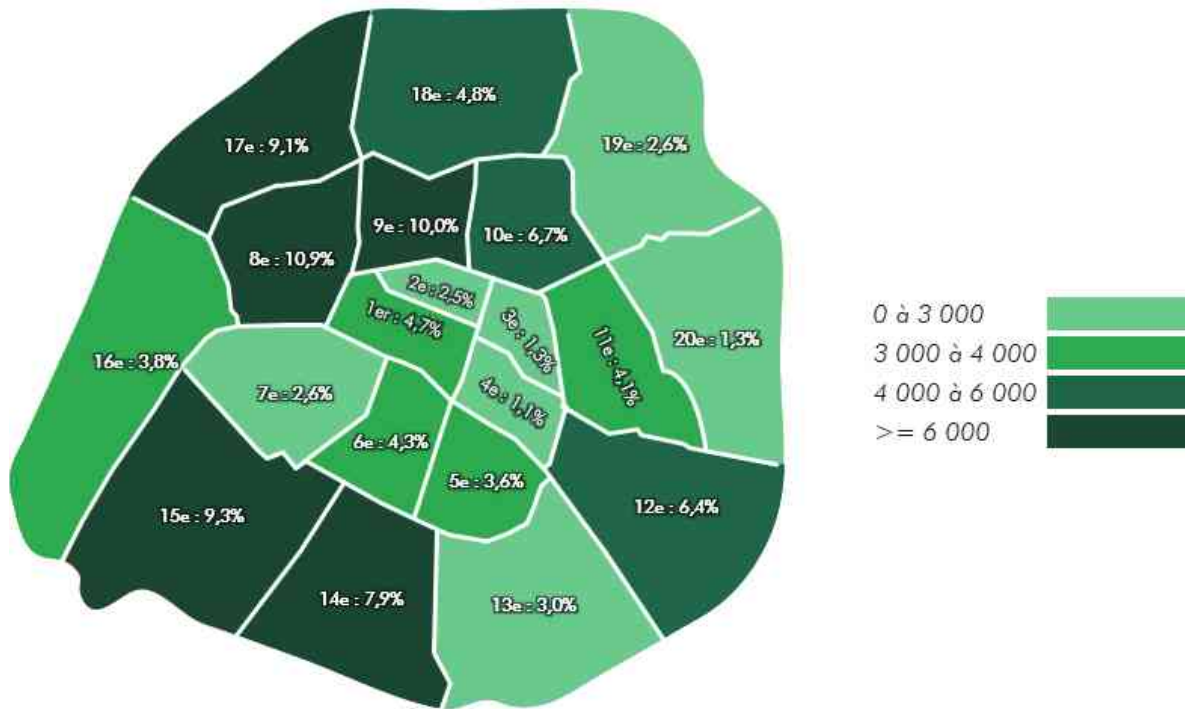
Paris 16th		2018	2019	2020	2021	2022		CAGR 2018/22
		#	#	#	#	#	%	
1-star	Hotels	0	0	0	0	0	0.0%	0.0%
	Rooms	-	-	-	-	-	0.0%	0.0%
2-star	Hotels	5	5	4	4	3	4.3%	-12.0%
	Rooms	161	161	133	133	85	2.7%	-14.8%
3-star	Hotels	29	30	29	30	29	41.4%	0.0%
	Rooms	845	891	932	961	936	29.8%	2.6%
4-star	Hotels	24	24	24	23	27	38.6%	3.0%
	Rooms	1,086	1,094	1,094	1,091	1,301	41.4%	4.6%
5-star	Hotels	9	9	11	9	8	11.4%	-2.9%
	Rooms	820	852	986	858	721	23.0%	-3.2%
Unrated	Hotels	3	1	4	5	3	4.3%	0.0%
	Rooms	115	49	127	160	98	3.1%	-3.9%
Total	Hotels	70	69	72	71	70	100%	0.0%
	Rooms	3,027	3,047	3,272	3,203	3,141	100%	0.9%

Hotel Supply 2018-2022 - Source: INSEE

- The 16<sup>th</sup> Arrondissement of Paris offers 3,141 hotel rooms across 70 hotel establishments. The offer slightly decreased by 62 rooms in 2022 since last year. However, the room

inventory of the arrondissement remained relatively stable since 2018 as CAGR 2018/22 shows an increase of barely 1%.

- The hospitality supply of the 16<sup>th</sup> arrondissement is focused on 3-star properties (representing 41.1%) and the largest inventory remains 4-star category (41.1%).
- As of most of the Parisian market, the district is upscaling its supply, reinforcing the 4-star hotel and room category.



Geographical distribution of Paris hotel supply - Source: CBRE

- Hotel supply in Paris is concentrated in the 8th, 9th, 14th, 15th and 17th districts. Within the five-star and luxury segment, the majority of hotels are located in the 1st, 8th and 16th districts. Five-star hotel supply is particularly strong within the 8th district, accounting for 44.9% of total five-star supply in Paris.
- This can be attributed to the central location and the presence of notable cultural sights and attractions such as the Champs-Élysées, the Arc de Triomphe, the Place de la Concorde and the Elysée Palace. The 1st district of Paris is together with the 8th, 9th, 16th and 17th districts, one of Paris's main central business districts.

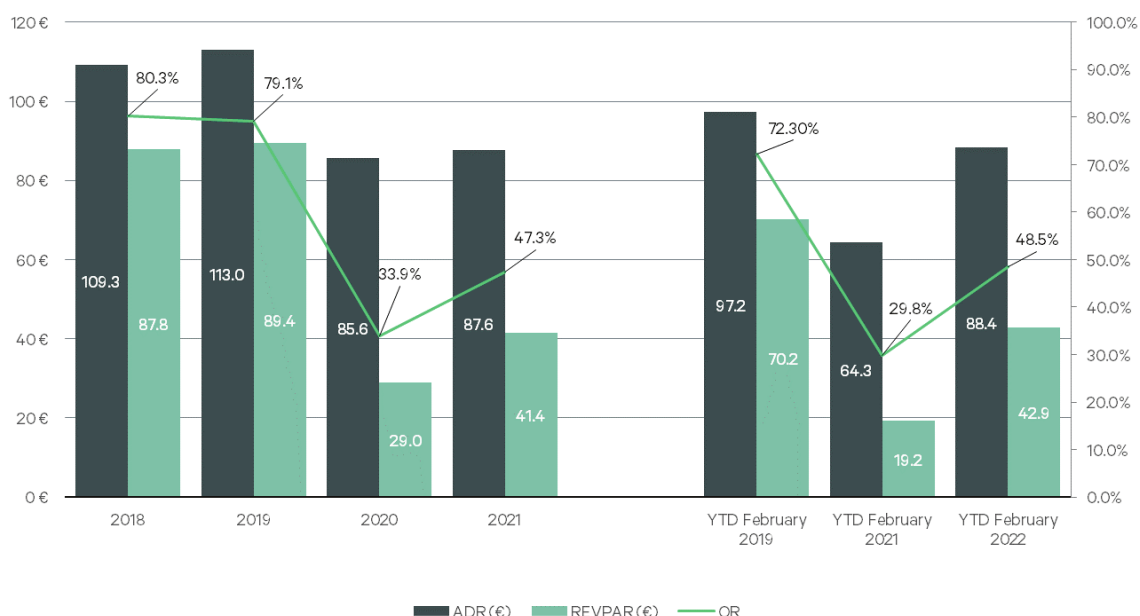
FUTURE SUPPLY										
NAME	OPERATOR	BRAND	TYPE	OPENING	PLANNING STATUS	QTY	AFFORD SEMENT	CATEGORY	GRADE	ROOMS
The People Hotel Montand	France Hotels	Hotel		2022	In Construction	Paris	4 <sup>ème</sup> arr.	n/a	n/a	n/a
UGA Sport Station I Hotel Paris	UGA	Hotel		2022	In Construction	Paris	19 <sup>ème</sup> arr.	n/a	n/a	n/a
StayCity Paris La Défense	StayCity	Extended Stay		2022	In Construction	La Défense	n/a	Upscale	4*	216
Okio Hotels La Défense	Okio	Hotel		2022	In Construction	La Défense	n/a	Upscale	4*	184
St' Montand	Acor	Hotel		2022	In Construction	Paris	4 <sup>ème</sup> arr.	Upscale	5*	161
Geet Paris Hippodrome de Vincennes	Acor	Hotel		2022	In Construction	Paris	12 <sup>ème</sup> arr.	Midscale	tbc	150
Okio Hotels Paris Montparnasse	Okio	Hotel		2022	Unconfirmed	Paris	tbc	Upscale	4*	146
ibis Montparnasse Place Glatigny	Acor	Hotel		2022	In Construction	Paris	14 <sup>ème</sup> arr.	Midscale	tbc	143
Mailley by Sitede Tours Duo	Acor	Hotel		2022	In Construction	Paris	13 <sup>ème</sup> arr.	Upper Upscale	4*	139
Hilton Paris Eiffel Tower	Hilton	Hotel		2022	In Construction	Paris	7 <sup>ème</sup> arr.	Upscale	5*	118
Tibe Saint-Quen	Acor	Hotel		2022	In Construction	Saint-Quen	n/a	Upscale	4*	112
Adagio City Boulogne Rue Kérmen	Acor	Extended Stay		2022	Unconfirmed	Boulogne Billancourt	n/a	Upper Midscale	4*	101
Hilton Garden Inn Paris La Villette	Hilton	Hotel		2022	In Construction	Paris	19 <sup>ème</sup> arr.	Upscale	4*	94
Mailley Domaine de la Reine Margot	Acor	Hotel		2022	In Construction	Issy-les-Moulineaux	n/a	Upper Upscale	4*	83
Maison Delano	Acor	Hotel		2022	In Construction	Paris	8 <sup>ème</sup> arr.	Upper Upscale	4*	56
Zku Paris Portede Gdty	Zku	Extended Stay		2022	In Construction	Paris	17 <sup>ème</sup> arr.	Upper Midscale	tbc	109
So Living Hotel Aureo	So Living Hotel	Hotel		2023	Unconfirmed	Paris	13 <sup>ème</sup> arr.	n/a	n/a	n/a
Hampton by Hilton Paris City Airport	Hilton	Hotel		2023	In Construction	City	n/a	Upper Midscale	4*	330
1-Hotel Aureo TEB	1-Hotels	Hotel		2023	Final Planning	Paris	13 <sup>ème</sup> arr.	Upper Upscale	4*	140
lct Fertile	tbc	Extended Stay		2023	In Construction	Paris	19 <sup>ème</sup> arr.	Upper Midscale	tbc	129
Light Human Hotel Paris- Actual	Independent	Hotel		2023	Final Planning	Actual	n/a	Upper Midscale	tbc	120
Hotel Galska Vendôme	Galska	Hotel		2023	In Construction	Paris	1 <sup>er</sup> arr.	Luxury	5*	25
HI-Hotel Paris Relye	HI-hotels	Hotel		2023	Unconfirmed	Saint-Denis	n/a	Upper Upscale	4*	700
lyl Gentella Paris	The Ascott Limited	Extended Stay		2024	Planning	Paris	20 <sup>ème</sup> arr.	Upscale	5*	139
Relana GF Hotel Gare d'Austerlitz	Relana	Hotel		2024	Planning	Paris	n/a	Upscale	tbc	210
Projet Rue Laotipode	tbc	Extended Stay		2024	Final Planning	Paris	5 <sup>ème</sup> arr.	Upscale	tbc	145
Hotel Tour Triangle	tbc	Hotel		2026	In Construction	Paris	15 <sup>ème</sup> arr.	Upscale	tbc	120
Hotel du Génie Autograph Collection	Marriott	Hotel		tbc	Unconfirmed	Paris	7 <sup>ème</sup> arr.	Upper Upscale	5*	50
Hotel Coppard	tbc	Hotel		tbc	Unconfirmed	Paris	1 <sup>er</sup> arr.	Luxury	5*	30
Hotel Usine des Ginq Sens	tbc	Hotel		tbc	Unconfirmed	Paris	16 <sup>ème</sup> arr.	n/a	n/a	n/a
Radisson Collection Paris La Défense (Tours Siders)	Radisson	Hotel		tbc	Unconfirmed	La Défense	n/a	Upscale	tbc	309
Holiday Inn La Défense Les Jardins de l'Arche	IHG	Hotel		tbc	Unconfirmed	La Défense	n/a	Midscale	tbc	300
Staybridge Suites La Défense Les Jardins de l'Arche	IHG	Extended Stay		tbc	Unconfirmed	La Défense	n/a	Upscale	tbc	200
Glovo Plaza La Défense Les Jardins de l'Arche	IHG	Hotel		tbc	Unconfirmed	La Défense	n/a	Upscale	tbc	200
St' Camps-Réjés	Acor	Hotel		tbc	Planning	Paris	8 <sup>ème</sup> arr.	Upper Upscale	4*	102
Hotel Rue Laroniguière	tbc	Hotel		tbc	Unconfirmed	Paris	5 <sup>ème</sup> arr.	Luxury	tbc	80
Hotel Avenue de Sigur	tbc	Hotel		tbc	Unconfirmed	Paris	7 <sup>ème</sup> arr.	Upscale	4*	54
Paris Opera	Independent	Hotel		tbc	Deferred	Paris	tbc	Upper Upscale	tbc	50
Total				38	38 projects					5 245

Non-exhaustive list of upcoming hotel projects in Paris - Source: CBRE

- Over the following years, we have identified a future supply pipeline of 38 projects totalling 5,245 rooms. Most of these projects are of relatively moderate size, with an average of 138 rooms, and mostly consists in the conversion of existing buildings due to the lack of available land in Paris.
- Pipeline phase definitions are explained below:
  - Unconfirmed: Potential projects that remain Unconfirmed at this time. CBRE Hotels is unable to verify the existence of these projects through a corporate chain feed or other verifiable source.
  - Planning: Confirmed, Under Contract projects where construction will begin in more than 13 months.
  - Final Planning: Confirmed, Under Contract projects where construction will begin within the next 12 months.
  - In Construction: Vertical construction on the physical building has begun. This does not include construction on any subgrade structures including, but not limited to, parking garages, underground supports/footers or any other type of sub-grade construction.
  - Deferred: Activity on the project has stopped but may resume within the next 12 months



#### 4.4. Paris Trading Performance (Aparthotels)



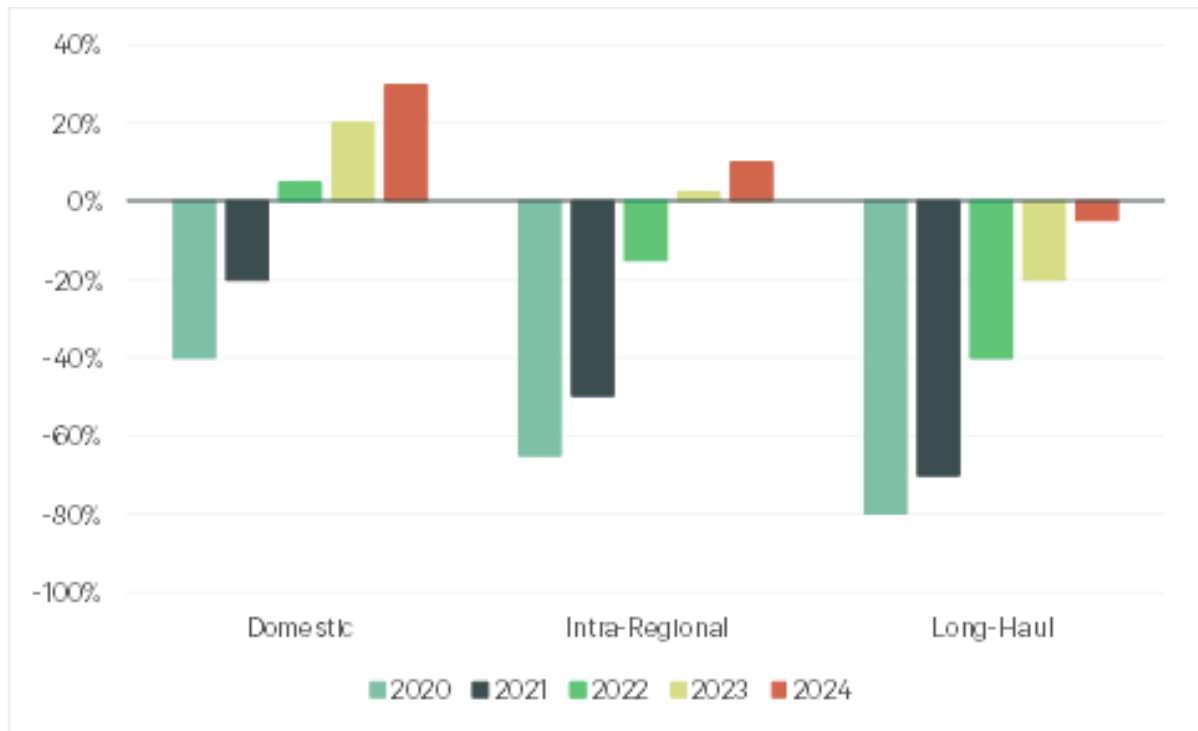
*Aparthotel Performances in Paris 2018-YTD February 2022 - Source: MKG*

- In between 2018 and 2019, the Parisian Aparthotels segment followed the global Parisian hotel market performances trends. At the end of 2019, Parisian Aparthotels registered an increase RevPAR +1.8% (at €89.4) compared to 2018. The segment of Aparthotels was relatively stable until 2019.
- The emergence of the COVID-19 virus had a very negative impact on tourist demand in France and in Paris, with travel restrictions being applied and the implementation of lockdown periods in France and other countries. Due to the impact of COVID-19, RevPAR of Parisian Aparthotels decreased by -67.5% from €89.4 to €29.0 in 2020, primarily driven by a sharp fall in Occupancy of -45.2%. However, it is important to note that the Parisian Aparthotel market has been less affected by the crisis than the Hotel market. In comparison, the RevPAR from hotels has fallen by -78.4%, i.e. 33.2 points more than that for Aparthotels. This greater resilience of Parisian Aparthotels can be explained by the attractiveness of spaces with personal kitchens, which make it possible to comply with health regulations.
- The performance of the year 2021 shows a good recovery of the activity, despite the persistence of the sanitary measures. In fact, we can underline a resumption of the RevPAR which increase by 42.8%. This strong increase is driven by an increase of the Occupancy Rate by 13.4% and of the ADR by 2.3%.
- Year to Date performance (YTD February 2022) shows a continuity in the recovery of activity in the Parisian Aparthotels segment. Indeed, compared to the same period in 2021, RevPAR is up +123.8% to €88.4. This increase in the performance indicator was generated by a marked rise in the ADR of Aparthotels in Paris to €88.4 (+37.5%), as well as an increase in occupancy of +18.7 points compared to YTD February 2021.



#### 4.5. Paris Market Outlook Post-COVID-19

- Since the start of the global COVID-19 outbreak, the hospitality market has shown resilience. Now that travel restrictions have been eased in an increased number of markets, we expect a more substantial recovery for the industry. Given the latest news on the health situation, we believe demand should gradually recover, with different trends which can be distinguished among market segments.
- Leisure clientele is still in demand for travel and has continued to travel during the periods when restrictions have been relaxed despite a change in behaviour. For example, fly-to leisure destinations are facing a slower recovery in demand, whereas staycation leisure markets such as Nice or Occitanie fully recovered in 2021. Besides, the forced development of remote working has offered employees new ways of travelling, combining work and leisure around a long weekend for instance – habits which should persist post-crisis.
- On the other end, cities relying on business travel have struggled to recover. Paris, being the first congress destination, has not been an exception. In 2021, the city recorded an Occupancy Rate at 41% of its 2019 OR. However, since the 2000s, we have seen that business demand has followed the economic cycle. Business travellers are still likely to return in a longer term. Indeed, despite the emergence of work from home and the desire of companies to restrict business travel for environmental reasons, business events will remain crucial for companies.
- Finally, Groups & Events recovery will be led by personal events such as weddings or Festivals. Thus, hotels and destinations dependent on this group demand will take longer to recover from the COVID-19 crisis.
- Unlike the Occupancy Rate, the average price has experienced a strong recovery in 2021; indeed, Average Daily Rate levels of 2021 were equivalent to the 2019 ADR in Paris. It is also worth noting that luxury hotels recorded in 2021 ADR levels 20% higher than in 2019, supported by the absence of group demand for which lower average prices are charged.



Europe recovery in travel segments 2020-2024 (% difference vs. 2019 levels) - Source: European Travel Commission

- Since the beginning of the pandemic, the hospitality industry witnessed the resilience of domestic demand. Indeed, as soon as lockdown periods were over, French hotels have been able to record encouraging performances thanks to strong domestic demand such as during summers 2020 and 2021. Thus, the recovery will be naturally first led primarily by domestic clientele before international travel is back to previous levels as shown in graph above.
- In light of the above, we expect the European market to recover to 2019 levels by early 2023. We also expect a recovery of the Parisian market by 2023, as the city can count on a mixed leisure/business demand. The capital city will rely on a return of its leisure clientele from 2022 onwards, for which higher prices are charged. It is thus estimated that even if the return of long-haul customers to 2019 levels does not occur before 2024, it will be compensated by a more localised demand.

## 5. US Market Overview

### 5.1. Economic Indicators

Economic Indicators	2020	2021	2022F	2023F	2024F
Real GDP Growth (% Growth)	-3.4	5.8	2.6	1.8	1.9
Consumer Price Index (% Growth)	1.3	4.7	7.6	2.3	1.7
Unemployment Rate (%)	5.4	5.4	3.6	3.6	3.6
Foreign Direct Investments, inflows (USD billions)	237.2	523.6	576.4	604.1	627.6

Forecasts of various economic indicators - Source: Oxford Economics

### 5.2. USA Student Housing Market Overview

- The U.S. student housing sector has proven to be resilient during the COVID-19 health event. Although shock-waves were present in the early months of March-May 2020, the sector has proven to be a highly rated rental collection sector compared with all other commercial real estate categories. Large operators reported 92% to 98% collection rates during the darkest days which began in March 2020 when all Universities went to on-line learning. Because the Universities were not prepared for this type of learning, the students were not fans of the "all on-line" structure and delivery.
- Occupancy levels were largely impacted by the virus in fall 2020 as remote-learning and declining enrollment played a significant part. As of September 2021, occupancy rates tracked by RealPage Inc. were approximately 94.1% compared to September 2020's occupancy rate of 88.2% and September 2019's rate of 92.8%. Occupancies are considered full at 90%. As a result of vaccination requirements, relaxed enrollment requirements, and pent-up demand, fall 2021 occupancy rates are at record-high levels.
- Pre-leasing activity also improved by late summer, near the beginning of the actual school year. According to RealPage Inc., the final August 2021 pre-lease level was 92.2% compared to August 2020's rate of 88.3% and 2019's rate of 91.5%. It wasn't until the late summer months of 2021 that pre-leasing activity gained steam; from October 2020 through June 2021, pre-leasing activity briefly lagged behind 2020's levels as students waited to see what the plans would be for the upcoming school year.
- Overall, as the niche student housing sector has matured over the past 10+ years and it has gained acceptance as a strong alternative product type in many large investment pools. This acceptance is projected to increase as most large Tier 1 University markets have sustained relatively good occupancy and collection trends during the COVID-19 health event.

### 5.3. Columbia, South Carolina Market Overview


#### The University of South Carolina

- The University of South Carolina was founded in December of 1801 by Governor John Drayton as South Carolina College. Today, The University of South Carolina has an enrollment of approximately 33,551 on the main Columbia campus as of spring, 2022.

- South Carolina's campus covers over 359 acres in downtown Columbia and is not far from the South Carolina State House. South Carolina is the flagship institution of the University of South Carolina System and offers more than 350 programs of study, leading to bachelor's, master's, and doctoral degrees from fourteen degree-granting colleges and schools. Professional schools on the Columbia campus include business, engineering, law, medicine, pharmacy, and social work.
- The University of South Carolina requires freshmen to live on campus. This residency rule has been in effect for several years. Because of the strong market conditions, many lease by the bed student apartment complexes are signing 12-month leases or require an additional fee for shorter-term leases. As a result, this has lessened the traditional occupancy fluctuation from the local market and also in Class A student projects near the University.


### Enrollment Trends

- Over the past several years, enrollment at the University of South Carolina has followed a moderate growth trend with a total increase of 16.26% over the past 10 years, with annual increases projected for the next three years.



**UNIVERSITY OF  
SOUTH CAROLINA**

**University of South Carolina**  
Columbia, SC  
**Fall 2021**

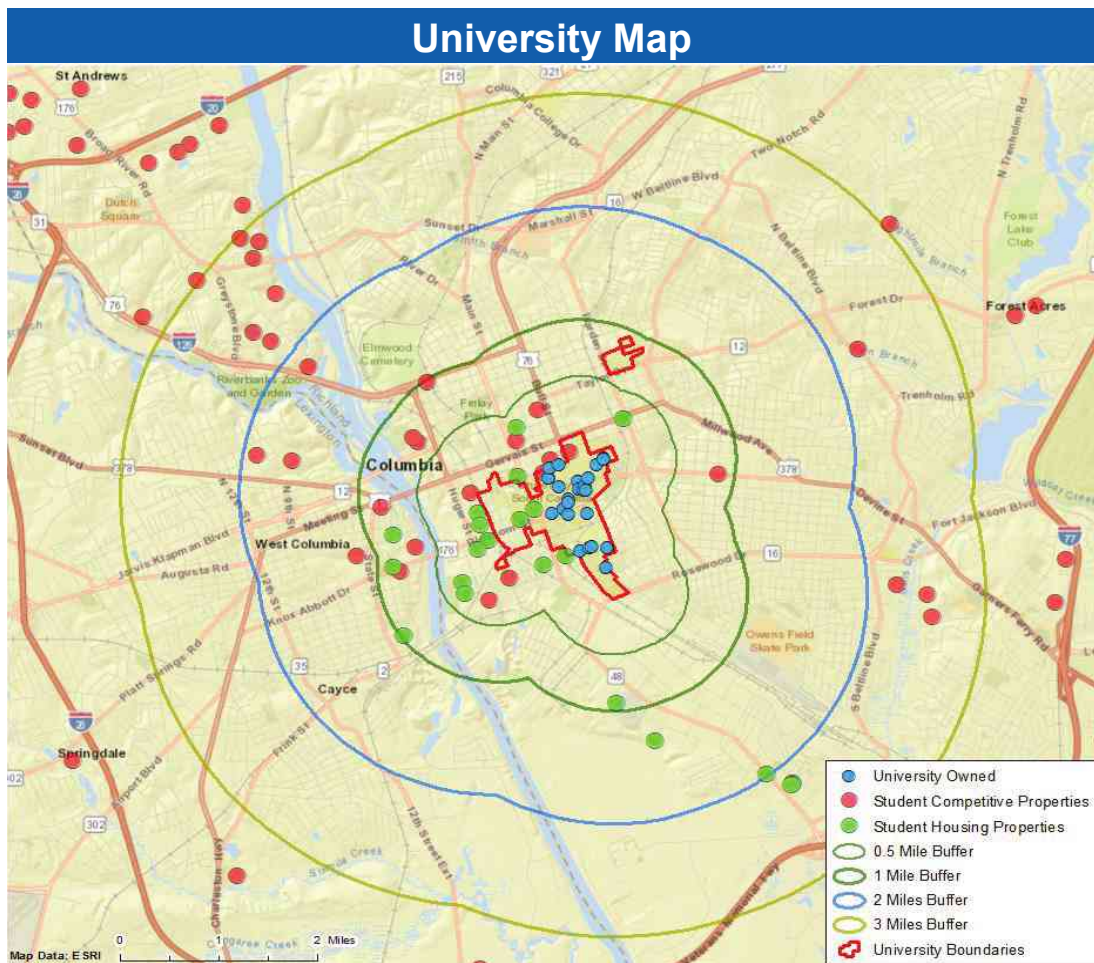


2021

Enrollment Trends	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F
Year Enrollment	30,721	31,288	31,958	32,971	33,724	34,099	34,731	34,795	35,364	35,468	35,716	35,931	36,074	36,237	36,345
Enrollment Change	1,124	567	670	1,013	753	375	632	64	569	104	248	215	143	163	108
Enrollment Growth	3.8%	1.8%	2.1%	3.2%	2.3%	1.1%	1.9%	0.2%	1.6%	0.3%	0.7%	0.6%	0.4%	0.5%	0.3%
Full-Time Undergrad	20,700	21,646	22,533	23,177	23,613	23,926	24,772	25,633	26,400	26,174					
Part-Time Undergrad	1,856	1,717	1,647	1,686	1,624	1,630	1,590	1,100	1,102	1,096					
Total Undergrad	22,556	23,363	24,180	24,863	25,237	25,556	26,362	26,733	27,502	27,270					
Full-Time Grad	5,136	5,072	5,483	5,726	5,828	5,845	5,790	5,637	5,414	5,630					
Part-Time Grad	3,029	2,853	2,295	2,362	2,659	2,698	2,579	2,425	2,448	2,568					
Total Grad	8,165	7,925	7,778	8,108	8,487	8,543	8,369	8,062	7,862	8,198					
Total Applied	21,311	23,429	23,035	23,341	25,736	25,057	25,751	30,778	31,268	34,957					
Acceptance Rate	63.1%	60.6%	64.4%	65.2%	64.5%	68.1%	72.4%	63.2%	68.7%	68.3%	69.0%	70.0%	67.0%	68.0%	69.0%
Freshman	6,424	6,017	5,862	5,591	5,623	5,532	6,248	6,221							
Sophomore	4,638	4,996	5,268	5,751	5,681	5,885	5,970	6,484							
Junior	4,829	5,272	5,757	5,753	6,025	5,835	5,899	5,975							
Senior	7,103	6,743	7,293	7,768	7,908	8,304	8,245	8,053							
State High School Grad Rate	74.0%	75.0%	77.6%	80.1%	80.3%	82.6%	83.6%	81.0%	81.1%	81.7%	82.1%	81.4%	81.3%	81.5%	81.1%
Freshman Retention Rate	87.0%	87.2%	88.1%	88.0%	88.1%	87.1%	88.7%	88.0%	88.6%	89.9%	89.0%	88.5%	88.7%	88.3%	88.5%
University Graduation Rate	70.0%	72.3%	72.7%	73.0%	72.3%	71.0%	74.2%	77.0%	77.0%	78.0%	76.1%	75.8%	76.5%	76.3%	76.7%
Financial Aid Share of Total Budget	13.4%	12.7%	12.6%												
State Pop 18-24Y (000)	447	450	450	447	441	436	433	433	435	437	439	442	443	444	444
Annual Change	0.0%	0.7%	0.0%	-0.7%	-1.4%	-1.2%	-0.7%	0.0%	0.5%	0.4%	0.5%	0.6%	0.4%	0.2%	-0.1%

### Supply

- According to Axiometrics, as of Fall 2021, there are approximately 7,858 University owned on-campus beds with an estimated occupancy rate of 97.8%.
- On top of university owned on-campus beds, there are also purpose built housing designed to attract and house strictly college students. Off-campus dedicated Student Housing and Student Competitive property supply is summarized below. The properties, which do not include the subject, indicate a weighted-average occupancy of 90% with per-bedroom monthly rents ranging from \$590 to \$1,061 (average of \$806).



#### Supply Pipeline

- There is a fair amount of planned development in the pipeline for this market. There are several off-campus student competitive properties reported in the pipeline according to Axiometrics. There are also three off-campus, purpose-built student properties indicated within the pipeline.
- The area apartment market, in particular the student housing market exhibits stabilized occupancy rates. Despite recent construction, there continues to be no overabundance of student housing. The market should be able to absorb a moderate increase in supply without an effective increase in the vacancy rate. Considering the projected enrollment trends at the university, the local student housing market should remain positive and continue to exhibit stabilized occupancy.



**University of South Carolina**  
Columbia, SC  
Fall 2021

As of 5/2/2022



Pipeline Delivery Schedule												
Off-Campus Housing Market - Student Housing (SH)												
									Delivery Schedule <sup>(3)</sup>			
Property Name	Location	Developer	Distance <sup>(1)</sup>	Status <sup>(2)</sup>	Start <sup>(4)</sup>	Completion	Units	Beds	2022	2023	2024	2025
Lofts on Lincoln	919 Catawba St	NA		SH-U	Jan-22	Aug-23	279	673				
Standard at Columbia	1401 Assembly St	Clayco Realty Group/Landmark I	0.35	SH-U	Jul-21	Aug-23	247	678				
Lofts at Lincoln	312-318 Lincoln St	Dinerstein Companies		SH-P	NA	NA	279	677				
Total							805	2,028	0	0	0	0
Off-Campus Housing Market - Student Competitive (SC)												
									Delivery Schedule <sup>(3)</sup>			
Property Name	Location	Developer	Distance <sup>(1)</sup>	Status <sup>(2)</sup>	Start <sup>(4)</sup>	Completion	Units	Beds	2022	2023	2024	2025
1813 Main Street	1813 Main St	Cason Development Group		UC	Jul-21	Sep-22	28	NA				
Former Rosewood Ct	2901 Rosewood Dr	Cason Development Group		UC	Nov-21	Feb-23	52	NA				
The Ballpark	301 S Assembly St	Weddle Real Estate Investments		P	Jan-23	Aug-24	310	NA				
4 West	Meeting St & State St	Estates & Companies		P	NA	NA	52	0				
Former WB Smith Wh	1527 Gervais St	NA		P	NA	NA	NA	NA				
Total							442	0	0	0	0	0

**University Owned Housing Market - Student Housing (SH)**

There are no on campus student housing projects in the pipeline at this time.

(1) Distance refers to distance from the University Boundary. (2) Property Status: U/L: Under construction/Lease up; UC: Under construction; P: Planned; SH-P: Planned Student Property; SH-WND: Student Property Would Not Disclose Occupancy Rate; SH-U: Under Construction Student Property; SH-U/L: Under Construction/Lease Up Student Property. (3) Bed counts in the delivery schedule are blank for properties that don't have unit mixes, estimated bed counts, or announced bed counts. (4) If the anticipated construction start date has not been confirmed, the property's status will remain "planned" until confirmed.

**Source:** RealPage Inc.

Disclaimer Notice: This report is prepared from data believed reliable but not guaranteed by RealPage, and its directors, officers, employees, and contractors, without verification or investigation. The facts and forecasts contained herein are not guaranteed to be complete or error-free. The forecasts expressed in this report are subject to change without notice. Use at your own risk.

## 5.4. Columbia, South Carolina (SC) Student Housing/Apartment Trading Performance

### Submarket Snapshot

- The following table summarizes the supply of apartment units for each submarket within the Columbia, SC market as of 1st Quarter 2022.

COLUMBIA, SC APARTMENT SUBMARKET SNAPSHOT				
Submarket	Inventory (Units)	Completions* (Units)	Effective Rent (\$/Unit / Mo.)	Occupancy
Central Columbia/University	9,415	0	\$1,318	97.2%
Dutch Fork	13,611	120	\$1,056	95.8%
East Columbia	19,299	0	\$1,138	97.2%
Lexington County	7,856	0	\$1,305	97.4%

\*Completions include trailing 4 quarters

Source: Axiometrics, 1st Quarter



## Central Columbia/University Submarket

CENTRAL COLUMBIA/UNIVERSITY APARTMENT SUBMARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2017	8,577	122	8,318	97.0%	\$1,067	2.83%	631
2018	8,873	296	8,468	95.4%	\$1,145	3.03%	149
2019	9,113	240	8,743	95.9%	\$1,182	3.18%	275
2020	9,306	193	8,628	92.7%	\$1,202	-0.73%	-115
Q1 2021	9,415	109	8,743	92.9%	\$1,206	-0.45%	116
Q2 2021	9,415	0	8,726	92.7%	\$1,214	0.64%	-18
Q3 2021	9,415	0	8,978	95.4%	\$1,312	5.33%	251
Q4 2021	9,415	0	9,092	96.6%	\$1,326	1.08%	115
2021	9,415	109	9,092	96.6%	\$1,326	7.50%	465
Q1 2022	9,415	0	9,149	97.2%	\$1,318	-0.27%	58
Q2 2022*	9,478	63	9,108	96.1%	\$1,355	2.81%	-43
Q3 2022*	9,614	136	9,220	95.9%	\$1,440	6.27%	111
Q4 2022*	9,689	75	9,321	96.2%	\$1,463	1.60%	101
2022*	9,689	274	9,321	96.2%	\$1,463	10.30%	149
2023*	10,166	477	9,536	93.8%	\$1,515	3.60%	219
2024*	10,408	242	9,784	94.0%	\$1,519	0.30%	239
2025*	10,598	190	9,973	94.1%	\$1,537	1.20%	189
2026*	10,838	240	10,188	94.0%	\$1,563	1.70%	213

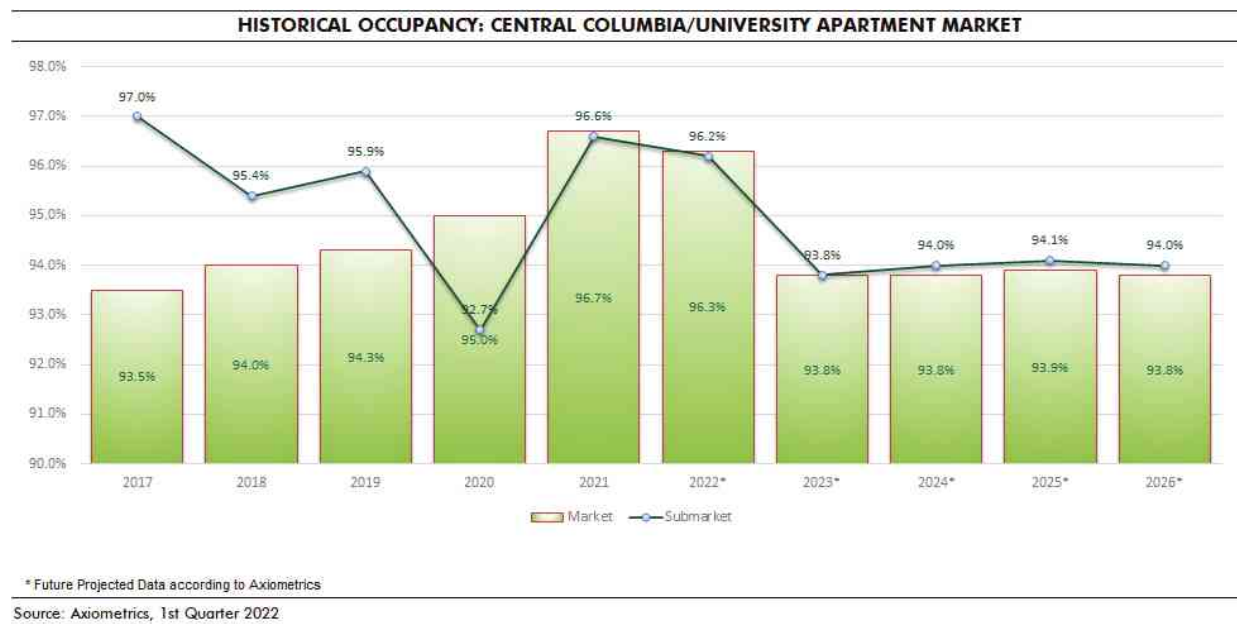
\*Future Projected Data according to Axiometrics

Source: Axiometrics, 1st Quarter 2022

- The Central Columbia/University apartment submarket consists of approximately 9,415 units of apartment space. The current submarket inventory represents approximately 18.8% of the overall market inventory.
- As of 1st Quarter 2022, there were approximately 9,149 units of occupied apartment space, resulting in an occupancy rate of 97.2% for the submarket. This reflects an increase from the previous quarter's occupancy of 96.6%, and an increase from an occupancy rate of 96.6% from last year. The submarket occupancy is above the 96.7% market occupancy.
- The submarket experienced positive 58 units of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 115 units of net absorption, and a decline from the positive 465 units of net absorption from a year ago. The submarket's current net absorption of positive 58 units compares favorably with the overall market net absorption of positive 13 units.
- The submarket had zero completions for the current quarter, which indicates no change from the previous quarter's zero completions, and a decrease from the completions of positive 109 units from last year.
- The submarket achieved average effective rent of \$1,318 per unit, which indicates a decrease from the previous quarter's effective rent of \$1,326 per unit, and a decrease from the effective rent of \$1,326 per unit from last year. The submarket's current effective rent of \$1,318 per unit compares favorably with the overall market asking rent of \$1,148 per unit.

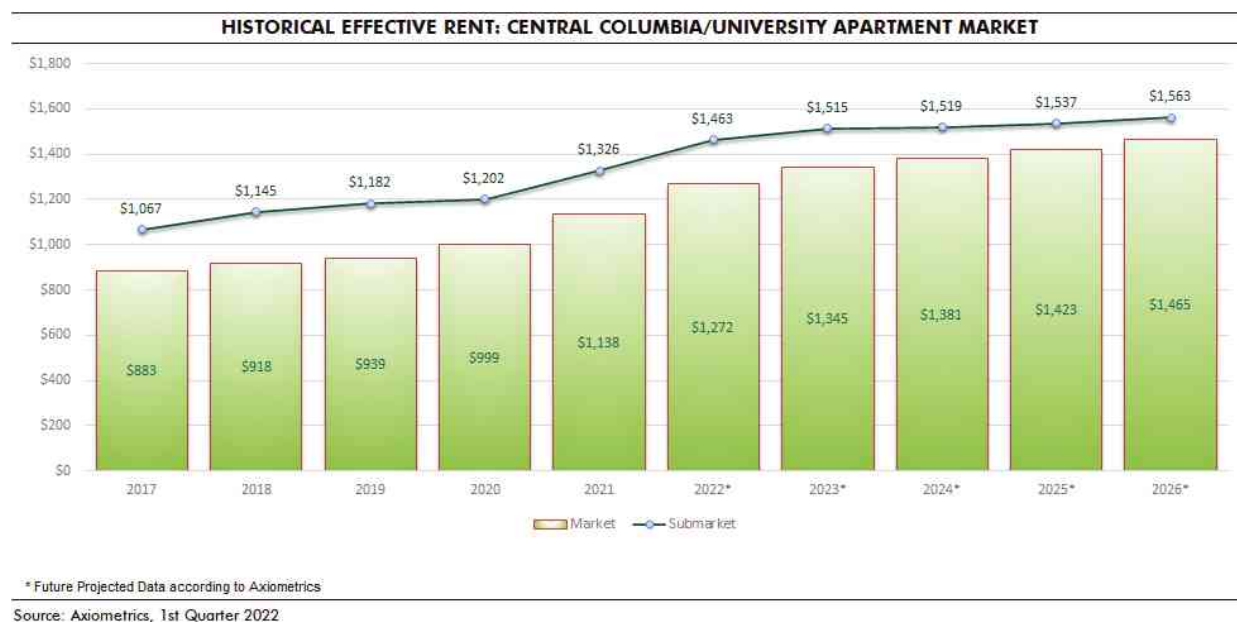
## 5.5. Columbia, South Carolina (SC) Student Housing/Apartment Outlook

### Occupancy



- Submarket occupancy is projected to be 96.2% at the end of the current year, which represents a decrease from the previous year's submarket occupancy of 96.6%. Submarket occupancy for next year is projected to be 93.8%, reflecting a decrease from the current year.

### Effective Rent



- The submarket is projected to achieve average effective of \$1,463 per unit at the end of the current year, which represents an increase from the previous year's effective rent of \$1,326 per unit. The submarket is projected to achieve average effective rent of \$1,515 per unit, reflecting an increase from the current year.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING



### 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

**ASCOTT RESIDENCE TRUST  
MANAGEMENT LIMITED**

### ASCOTT BUSINESS TRUST

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

MANAGED BY

**ASCOTT BUSINESS TRUST  
MANAGEMENT PTE. LTD.**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“EGM”) of the holders of stapled securities of Ascott Residence Trust (“ART”, and the holders of stapled securities of ART, “**Stapled Securityholders**”), which comprises Ascott Real Estate Investment Trust (“**Ascott Reit**”) and Ascott Business Trust (“**Ascott BT**”) will be convened and held at 168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912 and by electronic means on Friday, 9 September 2022 at 2.00 p.m. (Singapore time), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meaning ascribed to them in the circular dated 15 August 2022 to Stapled Securityholders (the “**Circular**”)).

### ORDINARY RESOLUTION

**THE PROPOSED ACQUISITION OF INTERESTS IN SERVICED RESIDENCE PROPERTIES IN FRANCE, VIETNAM AND AUSTRALIA, RENTAL HOUSING PROPERTIES IN JAPAN AND A STUDENT ACCOMMODATION PROPERTY IN SOUTH CAROLINA, US AT AN AGGREGATE PURCHASE CONSIDERATION OF S\$215.2 MILLION FROM INTERESTED PERSONS AND ENTRY INTO MASTER LEASES, MANAGEMENT AGREEMENTS AND FRANCE LOAN ASSIGNMENT DOCUMENTS**

RESOLVED that:

- (a) approval be and is hereby given for the acquisition of:
  - (i) the France Property through the acquisition by the France Purchaser from the France Vendor of (A) a 100.0% interest in Ascott Holdings (France) SAS (which owns a 99.99% interest in Ascott Kleber SNC, which in turn owns a 100.0% interest in the France Property) and (B) a 0.01% interest in Ascott Kleber SNC;
  - (ii) the portfolio of Japan Properties, which comprises:
    - (A) the Marunouchi Property;

- (B) the House Saison Property;
- (C) the S-Residence Shukugawa Property;
- (D) the S-Residence Namba Viale Property; and
- (E) the S-Residence Gakuenzaka Property,

through the acquisition by the Japan Purchaser from the Japan Vendor of 100.0% of the TBI in respect of each of the Japan Properties;

- (iii) the Vietnam Property through the acquisition by the Vietnam Purchaser from the Vietnam Vendor of a 100.0% interest in Somerset Central TD Company Limited;
- (iv) an additional 45.0% effective interest in the US Property through the acquisition by the US Purchaser from the US Vendor of a 50.0% interest in Columbia PBSA Venture Pte. Ltd., which owns a 100.0% interest in Columbia Student Venture REIT LLC, which in turn owns a 90.0% interest in Columbia Student Venture, LLC, which in turn owns a 100.0% interest in Columbia Student Property Owner, LLC, which in turn owns a 100.0% interest in the US Property; and
- (v) the Australia Property through the acquisition by the Australia Purchaser from the Australia Vendor of a 100.0% interest in the Australia Property,

for an estimated aggregate purchase consideration of S\$215.2 million, on the basis set out in the Circular;

- (b) approval be and is hereby given for the execution or the continued subsistence (as the case may be) of the Master Leases, the Management Agreements and the France Loan Assignment Documents; and
- (c) Ascott Residence Trust Management Limited, as manager of Ascott Reit (the “**Ascott Reit Manager**”), any director of the Ascott Reit Manager (the “**Director**”) and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Ascott Reit Manager, the Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of ART to give effect to the above transactions.

BY ORDER OF THE BOARD  
**Ascott Residence Trust Management Limited**

(Registration Number 200516209Z)  
 As manager of Ascott Real Estate Investment Trust

KAREN CHAN  
 Company Secretary  
 15 August 2022

BY ORDER OF THE BOARD  
**Ascott Business Trust Management Pte. Ltd.**

(Registration Number 201925299R)  
 As trustee-manager of Ascott Business Trust

KAREN CHAN  
 Company Secretary  
 15 August 2022

## IMPORTANT NOTICE:

### (1) Conduct of the EGM

The EGM is being convened, and will be held, at 168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912 (the “**Physical Meeting**”) pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 and by way of electronic means (the “**Virtual Meeting**”) pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Any reference to a time of day is made by reference to Singapore time.

Printed copies of the Notice of EGM dated 15 August 2022 (“**Notice of EGM**”) will not be sent to Stapled Securityholders. Instead, the Notice of EGM will be sent to Stapled Securityholders by electronic means via publication on ART’s website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

### (2) Pre-registration for the Physical Meeting

Due to the constantly evolving COVID-19 situation in Singapore, the Managers intend to restrict the number of in-person attendees at the Physical Meeting to 200 persons or such other number as the Managers may determine with reference to the applicable Ministry of Health advisories and guidelines.

Stapled Securityholders (including CPF and SRS investors) can pre-register themselves or, where applicable, their appointed proxy(ies) for the Physical Meeting at the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) from Monday, 15 August 2022 up to 2.00 p.m. on Wednesday, 7 September 2022 to enable the Managers to verify their status. Stapled Securityholders, including CPF and SRS investors, can refer to paragraphs 4 and 5 below for more information. If more than 200 persons have pre-registered their interest to attend the Physical Meeting, the Managers shall conduct a balloting process to determine the Stapled Securityholders (including CPF and SRS investors), or where applicable, their duly appointed proxy(ies), who shall be entitled to attend the Physical Meeting.

Following the verification, authenticated Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered, will receive an email confirming successful registration by 8.00 p.m. on Thursday, 8 September 2022 which will contain details as well as instructions on attending the Physical Meeting (the “**Confirmation Email for Physical Meeting**”).

Authenticated Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who have received the Confirmation Email for Physical Meeting will be required to bring along their original NRIC/Passport for registration on the day of the EGM. Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who did not receive the Confirmation Email for Physical Meeting will not be allowed entry into the Physical Meeting.

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered by the 7 September 2022, 2.00 p.m. deadline but have not received the Confirmation Email for Physical Meeting by 8.00 p.m. on Thursday, 8 September 2022 should immediately contact ART’s Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at (65) 6536-5355 (during office hours) or via email at [ART@boardroomlimited.com](mailto:ART@boardroomlimited.com).

(3) Pre-registration for the Virtual Meeting

Stapled Securityholders (including CPF and SRS investors) can pre-register themselves or, where applicable, their appointed proxy(ies) for the Virtual Meeting at the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) from Monday, 15 August 2022 up to 2.00 p.m. on Wednesday, 7 September 2022 to enable the Managers to verify their status. Stapled Securityholders, including CPF and SRS investors, can refer to paragraphs 4 and 5 below for more information.

Following the verification, authenticated Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered will receive an email confirming successful registration by 8.00 p.m. on Thursday, 8 September 2022 which will contain unique user credentials as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings ("**Confirmation Email for Virtual Meeting**").

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered by the 7 September 2022, 2.00 p.m. deadline but have not received the Confirmation Email for Virtual Meeting by 8.00 p.m. on Thursday, 8 September 2022 should immediately contact ART's Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at (65) 6536-5355 (during office hours) or via email at [ART@boardroomlimited.com](mailto:ART@boardroomlimited.com).

(4) Question and answer

Stapled Securityholders, including CPF and SRS investors, can submit questions in advance of, or live at, the EGM.

Submission of questions in advance of the EGM

Stapled Securityholders, including CPF and SRS investors, can submit to the Chairman of the EGM substantial and relevant questions related to the Resolution to be tabled for approval at the EGM in advance of the EGM. Such questions must be received by the Managers no later than 2.00 p.m. on Tuesday, 7 September 2022, and can be submitted in the following manner:

- (a) via the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html);
- (b) via email to the Managers at [ask-us@ascottresidencetrust.com](mailto:ask-us@ascottresidencetrust.com); or
- (c) by post to the office of ART's Stapled Security Registrar Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Stapled Securityholders, including CPF and SRS investors, who submit questions via email or by post to ART's Stapled Security Registrar must provide the following information for authentication:

- (a) the Stapled Securityholder's full name;
- (b) the Stapled Securityholder's address; and
- (c) the manner in which the Stapled Securityholder holds Stapled Securities in ART (e.g., via CDP, CPF or SRS).

### Ask questions live at the EGM

Stapled Securityholders (including CPF and SRS investors) or, where applicable, their appointed proxy(ies) can also ask the Chairman of the EGM substantial and relevant questions related to the Resolution to be tabled for approval at the EGM, live at the EGM, by:

- (a) if attending the Physical Meeting, raising questions at the Physical Meeting; or
- (b) if attending the Virtual Meeting, typing in and submitting their questions through the live chat function via the audio-visual webcast platform. Stapled Securityholders (including CPF and SRS investors) or, where applicable, their appointed proxy(ies) must access the EGM proceedings via the live audio-visual webcast in order to ask questions live at the EGM, and will not be able to do so via the audio-only stream of the EGM proceedings.

All Stapled Securityholders (including CPF and SRS investors) or, where applicable, their appointed proxy(ies) must be pre-registered and authenticated to ask questions live at the EGM.

### Addressing questions

The Managers' Chairman, Mr. Tan Beng Hai, Bob, and Chief Executive Officer, Ms. Teo Joo Ling, Serena, will conduct the proceedings of the EGM and, together with the Chairman of the Audit Committee, Mr. Sim Juat Quee Michael Gabriel, and senior management of the Managers, will address the substantial and relevant questions raised during the EGM which are related to the Resolution to be tabled for approval at the EGM. The hybrid format of the EGM serves to facilitate interaction between the Board of Directors of the Managers, the management team of the Managers and Stapled Securityholders.

The Managers will endeavour to address all substantial and relevant questions (which are related to the Resolution to be tabled for approval at the EGM) received in advance of the EGM from the Stapled Securityholders, prior to or during the EGM. The Managers will publish the responses to the substantial and relevant questions which the Managers will not be addressing during the EGM, on ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements> prior to the EGM. Where substantially similar questions are received, the Managers will consolidate such questions and consequently, not all questions may be individually addressed.

The Managers will publish the minutes of the EGM on ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements> within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

### (5) Vote live, or appoint proxy(ies) to vote, at the EGM

Stapled Securityholders who wish to exercise their voting rights at the EGM may:

- (a) (where such Stapled Securityholders are individuals) vote live via electronic means at the EGM or (whether such Stapled Securityholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the EGM) to vote live via electronic means at the EGM on their behalf, in each case through the login credentials in the Confirmation Email for Physical Meeting and/or the Confirmation Email for Virtual Meeting; or
- (b) (whether such Stapled Securityholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

Stapled Securityholders who wish to appoint a proxy(ies) must submit an instrument appointing a proxy(ies) in accordance with (i) (if submitting an instrument of proxy via email or by post) the instructions on the Proxy Form, or (ii) if submitting an instrument of proxy via the pre-registration website) the instructions accompanying the online proxy appointment process.

#### Vote live at the EGM

Live voting will be conducted during the EGM for Stapled Securityholders or, where applicable, their appointed proxy(ies) attending the Physical Meeting or the Virtual Meeting. **It is important for Stapled Securityholders or, where applicable, their appointed proxy(ies) to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting.**

Stapled Securityholders who wish to vote live via electronic means at the EGM must first pre-register themselves at the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html). CPF and SRS investors can refer to paragraph 6 below for more information.

Stapled Securityholders who wish to appoint a proxy(ies) (other than the Chairman of the EGM) must, in addition to completing and submitting an instrument appointing a proxy(ies), pre-register their appointed proxy(ies) at the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html).

Stapled Securityholders or, where applicable, their appointed proxy(ies) must access the EGM proceedings via the live audio-visual webcast in order to vote live at the EGM, and will not be able to do so via the audio-only stream of the EGM proceedings.

#### Appointment of proxy(ies)

A Stapled Securityholder who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it in the manner set out below.

A Stapled Securityholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such Stapled Securityholder's Proxy Form appoints more than one proxy the proportion of the stapled securityholding concerned to be represented by each proxy must be specified in the Proxy Form.

A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder's Proxy Form appoints more than two proxies, the number and class of Stapled Securities held in relation to which each proxy has been appointed must be specified in the Proxy Form.

The Proxy Form can be downloaded from ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Proxy Form will not be sent to Stapled Securityholders.

A Stapled Securityholder who wishes to submit the Proxy Form must do so in the following manner:

(a) if submitted electronically:

- (i) via the pre-registration website, by completing and authorising the appointment using the online proxy appointment process, through the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html); or
- (ii) via email, by completing and signing the Proxy Form, before attaching and sending a clear PDF copy of it to ART's Stapled Security Registrar at [ART@boardroomlimited.com](mailto:ART@boardroomlimited.com); or



- (b) if submitted by post, by completing and signing the Proxy Form, before lodging it at the office of ART's Stapled Security Registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

in either case, by 2.00 p.m. on 7 September 2022, being 48 hours before the time fixed for the EGM.

**In view of the current COVID-19 situation in Singapore, Stapled Securityholders are strongly encouraged to submit completed Proxy Forms electronically via email or via the online process through the pre-registration website.**

(6) Persons who hold Stapled Securities through relevant intermediaries

Persons who hold Stapled Securities through relevant intermediaries, other than CPF and SRS investors, who wish to participate in the EGM by:

- (a) attending the Physical Meeting;
- (b) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream;
- (c) submitting questions to the Chairman of the EGM in advance of, or live at, the EGM; and/or
- (d) voting at the EGM (i) live via electronic means by being appointed as proxy by their relevant intermediary; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM,

should contact the relevant intermediary through which they hold such Stapled Securities as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

CPF and SRS investors:

- (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. on Wednesday, 31 August 2022, being 7 working days before the date of the EGM. For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the EGM) to vote live at the EGM on their behalf.

**"relevant intermediary"** means:

- (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Stapled Securities in that capacity; or



- (iii) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(7) Other information

- (a) A proxy need not be a Stapled Securityholder of ART.
- (b) The Circular dated 15 August 2022 (in relation to the proposed entry into the IPT Transactions) and its related documents have been published on ART’s website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) and on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will not be sent to Stapled Securityholders.
- (c) Due to the constantly evolving COVID-19 situation in Singapore, the Managers may be required to change the arrangements for the EGM at short notice. Stapled Securityholders should check ART’s website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html) or the SGX website at <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the EGM.

**PERSONAL DATA PRIVACY:**

By (a) submitting an instrument appointing proxy(ies) to attend, speak and vote at the EGM of ART and/or any adjournment thereof, (b) pre-registering for the EGM in accordance with the Notice of EGM; and/or (c) submitting any question to the Chairman of the EGM in advance of the EGM in accordance with the Notice of EGM, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder’s personal data by ART (or its agents or service providers) for the following purposes (collectively, “**Purposes**”), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder’s proxy(ies) to ART (or its agents or service providers), the Stapled Securityholder has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by ART (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide ART with written evidence of such prior consent upon reasonable request:

- (1) the processing and administration by ART (or its agents or service providers) of instruments appointing a proxy(ies) for the EGM (including any adjournment thereof);
- (2) the processing of the pre-registration for purposes of verifying the status of Stapled Securityholders, granting access to Stapled Securityholders (or their appointed proxy(ies)) to the EGM and providing them with any technical assistance where necessary;
- (3) the addressing of relevant and substantial questions received from Stapled Securityholders in advance of the EGM and, if necessary, the following up with the relevant Stapled Securityholders in relation to such questions;
- (4) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM of ART (including any adjournment thereof); and
- (5) in order for ART (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

# PROXY FORM

## ASCOTT RESIDENCE TRUST

A stapled group comprising:

## ASCOTT REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 January 2006 (as amended))

## ASCOTT BUSINESS TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 September 2019 (as amended))

**Note:** This Proxy Form may be accessed at Ascott Residence Trust's ("ART") website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html), and will be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

### Personal data privacy

By submitting an instrument appointing a proxy, the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of the Extraordinary General Meeting dated 15 August 2022 (the "Notice of EGM", and the Extraordinary General Meeting, the "EGM").

## PROXY FORM EXTRAORDINARY GENERAL MEETING

### IMPORTANT:

- The EGM is being convened, and will be held, physically at 168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912 pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 (the "Physical Meeting") and by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Virtual Meeting"). Printed copies of the Notice of EGM will not be sent to Stapled Securityholders. Instead, the Notice of EGM will be sent to Stapled Securityholders by electronic means via publication on ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html), and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Please refer to the Notice of EGM for details of the alternative arrangements relating to the conduct of the EGM.
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by 2.00 p.m. on 31 August 2022, being 7 working days before the date of the EGM.
- This Proxy Form is for use by Stapled Securityholders wishing to appoint a proxy(ies) for the EGM. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy(ies).

I/We, \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC/Passport/Company Registration Number) of \_\_\_\_\_ (Address) being a Stapled Securityholder/Stapled Securityholders of Ascott Residence Trust ("ART"), hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Stapled Securities Holdings	
		No. of Stapled Securities	%
Email Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Stapled Securities Holdings	
		No. of Stapled Securities	%
Email Address:			

as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the EGM to be convened and held at 168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912 and by way of electronic means on Friday, 9 September 2022 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder.

No.	Resolution	For*	Against*	Abstain*
<b>ORDINARY RESOLUTION</b>				
1.	To approve the Proposed Acquisition of Interests in Serviced Residence Properties in France, Vietnam and Australia, Rental Housing Properties in Japan and a Student Accommodation Property in South Carolina, US at an Aggregate Purchase Consideration of S\$215.2 million from Interested Persons and Entry into Master Leases, Management Agreements and France Loan Assignment Documents			

\* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes for or against the resolution, please indicate with a "✓" in the space provided under "For" or "Against". If you wish your proxy/proxies to abstain from voting on the resolution, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of Stapled Securities that your proxy/proxies is directed to vote "For" or "Against" or to abstain from voting. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on the resolution if no voting instruction is specified, and on any other matter arising at the EGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total number of Stapled Securities held

Signature(s) of Stapled Securityholder(s)/Common Seal of Corporate Stapled Securityholder

**IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE**

Affix  
Postage  
Stamp

**ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED**  
(as manager of Ascott Real Estate Investment Trust)

**ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.**  
(as trustee-manager of Ascott Business Trust)

c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
Keppel Bay Tower, #14-07  
Singapore 098632

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**NOTES TO PROXY FORM:**

1. Due to the constantly evolving COVID-19 situation in Singapore, the Managers may restrict the number of in-person attendees at the Physical Meeting taking into account any regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time.
2. A Stapled Securityholder who wishes to exercise his/her/its voting rights at the EGM may:
  - (a) (where such Stapled Securityholders are individuals) vote live via electronic means at the EGM or (whether such Stapled Securityholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the EGM) to vote live via electronic means at the EGM on their behalf; or
  - (b) (whether such Stapled Securityholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM. The Proxy Form can be downloaded from ART's website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html), and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Proxy Form will not be sent to Stapled Securityholders.
3. CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. on 31 August 2022, being 7 working days before the date of the EGM.
4. A proxy need not be a Stapled Securityholder of ART.
5. A Stapled Securityholder should insert the total number of Stapled Securities held in the Proxy Form. If the Stapled Securityholder has Stapled Securities entered against the Stapled Securityholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, the Stapled Securityholder should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities registered in the Stapled Securityholder's name in the Register of Stapled Securityholders of ART, the Stapled Securityholder should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities entered against the Stapled Securityholder's name in the said Depository Register and registered in the Stapled Securityholder's name in the Register of Stapled Securityholders of ART, the Stapled Securityholder should insert the aggregate number of Stapled Securities. If no number is inserted, this Proxy Form will be deemed to relate to all the Stapled Securities held by the Stapled Securityholder.

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6. The Proxy Form must be submitted in the following manner:
  - (a) if submitted electronically,
    - (i) via the pre-registration website, by completing and authorising the appointment using the online proxy appointment process, through the pre-registration website at [https://investor.ascottresidencetrust.com/agm\\_egm.html](https://investor.ascottresidencetrust.com/agm_egm.html); or
    - (ii) via email, by completing and signing the Proxy Form, before attaching and sending a clear PDF copy of it to ART's Stapled Security Registrar at [ART@boardroomlimited.com](mailto:ART@boardroomlimited.com); or
  - (b) if submitted by post, by completing and signing the Proxy Form, before lodging it at the office of ART's Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, in either case, by 2.00 p.m. on 7 September 2022, being 48 hours before the time fixed for the EGM.

**In view of the current COVID-19 situation in Singapore, Stapled Securityholders are strongly encouraged to submit completed Proxy Forms electronically via email or via the online process through the pre-registration website.**
7. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy of such power or authority must (failing previous registration with the Managers), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. Any reference to a time of day is made by reference to Singapore time.
10. The Managers shall be entitled to reject any Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Stapled Securities entered in the Depository Register, the Managers may reject any Proxy Form if the Stapled Securityholder, being the appointor, is not shown to have Stapled Securities entered against his/her/its name in the Depository Register not less than 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Managers.





**ASCOTT**  
RESIDENCE  
TRUST

A Member of  
CapitaLand Investment

**ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED**

As Manager of Ascott Real Estate Investment Trust  
Company Registration Number: 200516209Z

**ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.**

As Trustee-Manager of Ascott Business Trust  
Company Registration Number: 201925299R

168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912  
Tel: +65 6713 2888  
Fax: +65 6713 2121  
Email: [ask-us@ascottresidencetrust.com](mailto:ask-us@ascottresidencetrust.com)

[www.ascottresidencetrust.com](http://www.ascottresidencetrust.com)