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The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Ascott REIT MTN Pte. Ltd., DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust (“**CapitaLand Ascott REIT**”)), CapitaLand Ascott REIT, CapitaLand Ascott Trust Management Limited, as manager of CapitaLand Ascott REIT, CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott Business Trust (“**CapitaLand Ascott BT**”)), CapitaLand Ascott BT, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U. S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U. S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Ascott REIT MTN Pte. Ltd., DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT), CapitaLand Ascott REIT, CapitaLand Ascott Trust Management Limited, as manager of CapitaLand Ascott REIT, CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT), CapitaLand Ascott BT, DBS Bank Ltd. or Oversea-Chinese Banking Corporation Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Ascott REIT MTN Pte. Ltd., DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT), CapitaLand Ascott REIT, CapitaLand Ascott Trust Management Limited, as manager of CapitaLand Ascott REIT, CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT) and CapitaLand Ascott BT in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



ASCOTT REIT MTN PTE. LTD.

(Incorporated in the Republic of Singapore on 20 August 2009)
(UEN/Company Registration No. 200915390H)

DBS TRUSTEE LIMITED

(Incorporated in the Republic of Singapore on 24 November 1975)
(UEN/Company Registration No. 197502043G)
(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust
(formerly known as Ascott Real Estate Investment Trust))

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

(formerly known as Ascott Business Trust Management Pte. Ltd.)
(Incorporated in the Republic of Singapore on 2 August 2019)
(UEN/Company Registration No. 201925299R)
(in its capacity as trustee-manager of CapitaLand Ascott Business Trust
(formerly known as Ascott Business Trust))

\$S\$2,000,000,000

Multicurrency Debt Issuance Programme (the “Programme”)

(in the case of Notes issued by Ascott REIT MTN Pte. Ltd.)
unconditionally and irrevocably guaranteed by
DBS Trustee Limited
(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust
(formerly known as Ascott Real Estate Investment Trust))

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the “Notes”) and perpetual securities (the “Perpetual Securities”) and, together with the Notes, the “Securities”) to be issued from time to time by (only in relation to the Notes) Ascott REIT MTN Pte. Ltd. (“ARMPL”), (in relation to the Securities) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust (“CapitaLand Ascott REIT”)) (the “CapitaLand Ascott REIT Trustee”) and CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott Business Trust (“CapitaLand Ascott BT”)) (the “CapitaLand Ascott BT Trustee-Manager”) and, together with ARMPL and the CapitaLand Ascott REIT Trustee, the “Issuers” and each, an “Issuer”) pursuant to the \$S\$2,000,000,000 Multicurrency Debt Issuance Programme (the “Programme”) may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the “SFA” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

All sums payable in respect of the Notes issued from time to time by ARMPL are unconditionally and irrevocably guaranteed by DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (the “Guarantor”).

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Securities on, the SGX-ST is not to be taken as an indication of the merits of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CapitaLand Ascott Trust (“CLAS”) or any of their respective subsidiaries (if any) or associated companies (if any) or any other entities to which it is related (together, the “Related Entities”) (if any), the Programme or the Securities.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any U.S. State securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements. The Securities may not be offered or sold in the United States or (in respect of any offering of Securities under Category 2 of Regulation S of the Securities Act) to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Securities are subject to certain restrictions on transfer, see the section “Subscription, Purchase and Distribution”.

An investment in Securities issued under the Programme involves certain risks. For a discussion of some of these risks, see the section “Risk Factors”.

Arrangers and Dealers



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NOTICE

DBS Bank Ltd. has been authorised by ARMPL and the CapitaLand Ascott REIT Trustee to arrange the S\$1,000,000,000 medium term note programme. Pursuant to the Amendment and Restatement Programme Agreement (as defined below), the Issuers appointed Oversea-Chinese Banking Corporation Limited as a joint arranger of the Programme and the programme limit was increased to S\$2,000,000,000. Under the Programme, each of the Issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes issued by ARMPL will be unconditionally and irrevocably guaranteed by the Guarantor.

This Information Memorandum contains information with regard to the Programme, the issue and offering of the Securities and the giving of the Guarantee (as defined herein). ARMPL (in respect of itself, CapitaLand Ascott REIT, the CapitaLand Ascott REIT Group (as defined herein) and CLAS only), the CapitaLand Ascott REIT Trustee (in respect of itself, the CapitaLand Ascott REIT Manager (as defined herein), CapitaLand Ascott REIT, the CapitaLand Ascott REIT Group and CLAS only) and the CapitaLand Ascott BT Trustee-Manager (in respect of itself, CapitaLand Ascott BT, the CapitaLand Ascott BT Group (as defined herein) and CLAS only) confirms that this Information Memorandum contains all information with regard to the Issuers, the Guarantor, the CapitaLand Ascott REIT Manager, CapitaLand Ascott REIT, CapitaLand Ascott BT and CLAS and to the Securities and the Guarantee which is material in the context of the Programme, the issue and offering of the Securities and the giving of the Guarantee, and such information is true and accurate in all material respects, and that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held, and there are no other facts the omission of which in the said context would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than Variable Rate Notes (as described under “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of Variable Rate Notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”) or otherwise delivered as agreed between the Relevant Issuer (as defined herein) and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Relevant Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Conditions (as defined herein) of the Notes as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security or a Permanent Global Security or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, CDP or a common depository for Euroclear and/or Clearstream or otherwise delivered as agreed between the Relevant Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Conditions of the Perpetual Securities as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S\$2,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms and conditions set out in the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, either of the Arrangers or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS or any of their respective Related Entities (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute and shall not be deemed to constitute, an offer of, or solicitation or invitation by or on behalf of any of the Issuers, the Guarantor, either of the Arrangers or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities and the Guarantee have not been, and will not be, registered under the Securities Act or any U.S. State securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities are subject to U.S. tax law requirements. The Securities may not be offered or sold in the United States (in respect of any offering of Securities under Category 2 of Regulation S of the Securities Act) or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of any of the Issuers, the Guarantor, either of the Arrangers or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are institutional investors (as defined in Section 4A of the SFA) or accredited investors (as defined in Section 4A of the SFA) and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS or any of their respective Related Entities (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers or any of their respective officers or employees is making any representation or warranty express or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS or their respective Related Entities (if any). Further, neither of the Arrangers nor any of the Dealers makes any representation or warranty and no responsibility or liability is accepted by the Arrangers or any of the Dealers as to any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS or their respective Related Entities (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, either of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS and their respective Related Entities (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS and their respective Related Entities (if any). Accordingly, notwithstanding anything herein, none of the Arrangers, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or

referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arrangers or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by either of the Arrangers or any of the Dealers or on its behalf in connection with any of the Issuers, the Guarantor, CLAS, the Programme or the issue and offering of the Securities. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any series of Securities, one or more Dealers named as stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Securities or 60 days after the date of the allotment of the relevant series of Securities. Any stabilisation action will be conducted in accordance with all applicable laws and regulations.

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any audited consolidated financial statements and/or unaudited consolidated financial statements of CLAS published from time to time after the date hereof and (2) any supplement or amendment to this Information Memorandum published from time to time after the date hereof by the Issuers (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of the most recent published audited consolidated financial statements of CLAS deemed incorporated by reference in this Information Memorandum are available on the website of the SGX-ST at www.sgx.com.

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Relevant Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuers, the Guarantor, the Arrangers or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Relevant Issuer pursuant to the Programme Agreement.

Any discrepancies (if any) in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuers, the Guarantor, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities and distribution of this Information Memorandum set out under the section titled "Subscription, Purchase and Distribution".

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before subscribing for, purchasing or acquiring the Securities.

Prospective investors should pay attention to the risk factors set out in the section titled "Risk Factors".

Prospective investors are advised to consult their own tax advisors concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MIFID II PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Securities may include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Securities may include a legend titled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, “**EUWA**”); or (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (c) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT –

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Securities pursuant to this Programme (each such offering, a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Relevant Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Relevant Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Relevant Issuer, the Guarantor, or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Relevant Issuer to all private banks for orders they place (other than in relation to Securities subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Securities distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Relevant Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of each Issuer, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS (including statements as to each Issuer’s, the Guarantor’s, CapitaLand Ascott REIT’s, CapitaLand Ascott BT’s and/or CLAS’ revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of each Issuer, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS, expected growth in each Issuer, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS and other related matters), if any, are forward-looking statements and, accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of each Issuer, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of each Issuer, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT or CLAS to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuers, the Guarantor, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT or CLAS will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of any Securities by the Relevant Issuer shall under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, CLAS or any of their respective Related Entities (if any) or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently supplemented or amended.

Further, the Issuers, the Guarantor, the Arrangers and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

“ADR”	:	Average daily rate, determined by dividing Apartment Rental Income by the number of paid occupied nights during the applicable period.
“AEI”	:	Asset enhancement initiative(s).
“Agency Agreement”	:	The agency agreement dated 9 September 2009 made between (1) ARMPL, as issuer, (2) the Guarantor, as guarantor, (3) The Bank of New York Mellon, as issuing and paying agent, (4) The Bank of New York Mellon, as agent bank, and (5) the Trustee, as trustee, as amended and restated by the amendment and restatement agency agreement dated 9 July 2020 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP calculation agent, CDP transfer agent and CDP registrar, (4) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as non-CDP transfer agent and non-CDP registrar, and (6) the Trustee, as trustee, as amended and restated by the Second Amendment and Restatement Agency Agreement, and as further amended, restated or supplemented from time to time.
“aggregate leverage”	:	The total borrowings and deferred payments.
“Amendment and Restatement Programme Agreement”	:	The amendment and restatement programme agreement dated 9 July 2020 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as arrangers, and (4) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as dealers.
“Apartment Rental Income”	:	Income from the rental or licensing of apartment units or hotel rooms of the Properties, excluding rental income under the Master Leases.
“ARMPL”	:	Ascott REIT MTN Pte. Ltd.
“Arrangers”	:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
“Ascott” or the “Sponsor”	:	The Ascott Limited.

“Ascott Management Agreements”	:	The management agreements between the relevant Ascott Management Companies and CapitaLand Ascott BT in relation to the relevant two Properties held by CapitaLand Ascott BT as at 31 March 2024 and the CapitaLand Ascott REIT Ascott Management Agreements.
“Ascott Management Companies”	:	The management companies which are subsidiaries of the Sponsor and manage 36 of the Properties as at 31 March 2024.
“Australia Management Companies”	:	The third-party hotel managers which manage four of the Properties located in Australia as at 31 March 2024.
“Bearer Securities”	:	Securities in bearer form.
“Boards”	:	The board of directors of the CapitaLand Ascott REIT Manager and CapitaLand Ascott BT Trustee-Manager.
“BTA”	:	Business Trusts Act 2004 of Singapore, as amended or modified from time to time.
“CapitaLand”	:	CapitaLand Investment Limited.
“CapitaLand Ascott BT”	:	CapitaLand Ascott Business Trust, a business trust constituted on 9 September 2019 under the laws of the Republic of Singapore.
“CapitaLand Ascott BT Group”	:	CapitaLand Ascott BT and its subsidiaries.
“CapitaLand Ascott BT Holders”	:	The holders from time to time of the units issued by CapitaLand Ascott BT.
“CapitaLand Ascott BT Note”	:	A medium term note of the CapitaLand Ascott BT Trustee-Manager, issued or to be issued pursuant to the Programme, and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
“CapitaLand Ascott BT Perpetual Security”	:	A perpetual security of the CapitaLand Ascott BT Trustee-Manager, issued or to be issued pursuant to the Programme, and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
“CapitaLand Ascott BT Trust Deed”	:	The deed of trust dated 9 September 2019 made by the CapitaLand Ascott BT Trustee-Manager, as trustee-manager, as supplemented by a first supplemental deed dated 27 December 2019, and as further amended, modified or supplemented from time to time.
“CapitaLand Ascott BT Trustee-Manager”	:	CapitaLand Ascott Business Trust Management Pte. Ltd., as trustee-manager of CapitaLand Ascott BT.

“CapitaLand Ascott BT Unit”	:	An undivided interest in CapitaLand Ascott BT as provided for in the CapitaLand Ascott BT Trust Deed.
“CapitaLand Ascott REIT Ascott Management Agreements”	:	The management agreements primarily between the relevant Ascott Management Companies and CapitaLand Ascott REIT in relation to the relevant 34 Properties held by CapitaLand Ascott REIT as at 31 March 2024.
“CapitaLand Ascott REIT”	:	CapitaLand Ascott Real Estate Investment Trust, a unit trust constituted on 19 January 2006 under the laws of the Republic of Singapore.
“CapitaLand Ascott REIT Group”	:	CapitaLand Ascott REIT and its subsidiaries.
“CapitaLand Ascott REIT Holders”	:	The holders from time to time of the units issued by CapitaLand Ascott REIT.
“CapitaLand Ascott REIT Manager”	:	CapitaLand Ascott Trust Management Limited, as manager of CapitaLand Ascott REIT.
“CapitaLand Ascott REIT Note”	:	A medium term note of ARMPL or the CapitaLand Ascott REIT Trustee, issued or to be issued pursuant to the Programme, and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
“CapitaLand Ascott REIT Perpetual Security”	:	A perpetual security of the CapitaLand Ascott REIT Trustee, issued or to be issued pursuant to the Programme, and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
“CapitaLand Ascott REIT Trust Deed”	:	The deed of trust dated 19 January 2006 made between (1) the CapitaLand Ascott REIT Manager, as manager, and (2) the CapitaLand Ascott REIT Trustee, as supplemented by a first supplemental deed dated 22 March 2007, a second supplemental deed dated 9 September 2009, a third supplemental deed dated 16 September 2010, a fourth supplemental deed dated 16 October 2014, a fifth supplemental deed dated 14 April 2016, a sixth supplemental deed dated 4 May 2018, a seventh supplemental deed dated 28 January 2019, an eighth supplemental deed dated 18 June 2019 and a ninth supplemental deed dated 1 November 2019, as amended and restated by an amending and restating deed dated 31 December 2019, as supplemented by an eleventh supplemental deed dated 3 April 2020, a twelfth supplemental deed dated 27 September 2022 and a thirteenth supplemental deed dated 6 October 2023, each made between the same parties (and as further amended, modified or supplemented from time to time).

“CapitaLand Ascott REIT Unit”	:	An undivided interest in CapitaLand Ascott REIT as provided for in the CapitaLand Ascott REIT Trust Deed.
“CapitaLand Group”	:	CapitaLand and its subsidiaries.
“CDP” or the “Depository”	:	The Central Depository (Pte) Limited.
“Calculation Agent”	:	In the case of Securities cleared or to be cleared through the CDP System, the CDP Calculation Agent or, in the case of Non-CDP Securities, the Non-CDP Calculation Agent, in its capacity as calculation agent under the Agency Agreement, or their respective successors in such capacity.
“CDP Calculation Agent”	:	The Bank of New York Mellon, Singapore Branch in its capacity as CDP calculation agent under the Agency Agreement, or its successors in such capacity.
“CDP Issuing and Paying Agent”	:	The Bank of New York Mellon, Singapore Branch in its capacity as CDP issuing and paying agent under the Agency Agreement, or its successors in such capacity.
“CDP Registrar”	:	The Bank of New York Mellon, Singapore Branch in its capacity as CDP registrar under the Agency Agreement, or its successors in such capacity.
“CDP System”	:	The computerised system operated by the Depository whereby Securities Accounts are maintained by Depositors with the Depository and, <i>inter alia</i> , transfers of the Securities are effected electronically between Securities Accounts.
“CDP Transfer Agent”	:	The Bank of New York Mellon, Singapore Branch in its capacity as CDP transfer agent under the Agency Agreement, or its successors in such capacity.
“Certificate”	:	A registered certificate representing one or more Registered Securities of the same Series, being substantially in the form set out in Part II of Schedule 1 to the Trust Deed or, as the case may be, Part II of Schedule 5 to the Trust Deed and, save as provided in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
“CIS Code”	:	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time.
“CLAS” or the “Stapled Group”	:	CapitaLand Ascott Trust (a stapled group comprising CapitaLand Ascott REIT and CapitaLand Ascott BT).
“Clearstream”	:	Clearstream Banking S.A., and includes a reference to its successors and permitted assigns.
“CMS Licence”	:	Capital Markets Service Licence issued by the MAS.

“Combination”	:	The combination of CapitaLand Ascott REIT and Ascendas Hospitality Trust (a stapled group comprising Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Business Trust), which was completed on 31 December 2019.
“Common Depositary”	:	In relation to a Series of Securities, a depositary common to Euroclear and Clearstream.
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time.
“Conditions”	:	(i) In relation to the CapitaLand Ascott BT Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any CapitaLand Ascott BT Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the CapitaLand Ascott BT Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the CapitaLand Ascott BT Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; (ii) in relation to the CapitaLand Ascott REIT Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part IV of Schedule 1 to the Trust Deed, as modified, with respect to any CapitaLand Ascott REIT Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the CapitaLand Ascott REIT Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the CapitaLand Ascott REIT Notes” as set out in Part IV of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly;

- (iii) in relation to the CapitaLand Ascott BT Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any CapitaLand Ascott BT Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the CapitaLand Ascott BT Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the CapitaLand Ascott BT Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and
- (iv) in relation to the CapitaLand Ascott REIT Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part IV of Schedule 5 to the Trust Deed, as modified, with respect to any CapitaLand Ascott REIT Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the CapitaLand Ascott REIT Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the CapitaLand Ascott REIT Perpetual Securities” as set out in Part IV of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.

“Controlling Stapled Securityholders”	:	A person who (i) holds directly or indirectly, 15.0% or more of the total voting Stapled Units; or (ii) in fact exercises control over CLAS, as defined in the Listing Manual.
“Couponholders”	:	The holders of the Coupons.
“Coupons”	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
“Dealers”	:	Persons appointed as dealers under the Programme.

“Definitive Security”	:	A definitive Bearer Security, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed or, as the case may be, Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.
“Deposited Property”	:	All the assets of CapitaLand Ascott REIT, including all its authorised investments held or deemed to be held upon the trusts under the CapitaLand Ascott REIT Trust Deed.
“Depositors”	:	Persons (including Depository Agents) having any Securities standing to the credit of their Securities Accounts at that time.
“Depository Agent”	:	A corporation authorised by the Depository to maintain Sub-Accounts.
“DPS”	:	Distribution per Stapled Security.
“EBITDA”	:	Earnings Before Interest, Taxes, Depreciation and Amortisation.
“ESG”	:	Environmental, social and governance.
“Euro”	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
“Euroclear”	:	Euroclear Bank SA/NV, and includes a reference to its successors and permitted assigns.
“Extraordinary Resolution”	:	A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.
“Fitch Ratings”	:	Fitch Ratings, Inc. or its successors.
“France Properties”	:	The 12 Properties located in France as at 31 March 2024.
“FY”	:	Financial year ended 31 December.
“FY2021”	:	Financial year ended 31 December 2021.
“FY2022”	:	Financial year ended 31 December 2022.
“FY2023”	:	Financial year ended 31 December 2023.
“FY2024”	:	Financial year ending 31 December 2024.
“GFA”	:	Gross Floor Area.
“Global Certificate”	:	A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) the Common Depositary, (ii) the Depository and/or (iii) any other clearing system.

“Global Security”	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
“Guarantee”	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed.
“Guarantor” or “CapitaLand Ascott REIT Trustee”	:	DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT).
“IRAS”	:	Inland Revenue Authority of Singapore.
“ITA”	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
“Issuing and Paying Agent”	:	In the case of Securities cleared or to be cleared through the CDP System, the CDP Issuing and Paying Agent or, in the case of Non-CDP Securities, the Non-CDP Issuing and Paying Agent, in its capacity as issuing and paying agent under the Agency Agreement, or their respective successors in such capacity.
“Latest Practicable Date”	:	14 June 2024.
“Listing Manual”	:	The listing manual of the SGX-ST.
“Longer-stay Management Companies”	:	The third-party managers which manage 32 of the Properties that are longer-stay assets as at 31 March 2024.
“Managers”	:	The CapitaLand Ascott BT Trustee-Manager and the CapitaLand Ascott REIT Manager.
“Management Companies”	:	The Ascott Management Companies, the Australia Management Companies, the Longer-stay Management Companies and the US Management Companies.
“Management Contracts”	:	The management contracts in respect of 75 of CLAS’ operating Properties as at 31 March 2024, entered into between CLAS and the Management Companies which provide property management services to CLAS.
“MAS”	:	Monetary Authority of Singapore.

“Master Leases”	: The master lease arrangements as at 31 March 2024 between CLAS and the relevant Master Lessees in relation to:
	(i) Quest Campbelltown, Quest Mascot, Quest Macquarie Park Sydney, Quest Sydney Olympic Park and Quest Cannon Hill in Australia; (ii) the 12 France Properties; (iii) the five Properties in Germany; (iv) Sotetsu Grand Fresa Osaka-Namba, Sotetsu Grand Fresa Tokyo-Bay Ariake and Eslead College Gate Kindaimae in Japan; and (v) Sotetsu Hotels The Splaisir Seoul Dongdaemun and ibis Ambassador Seoul Insadong in South Korea.
“Master Lessees”	: The following master lessees which have entered into the Master Leases as at 31 March 2024:
	(i) Quest Campbelltown Tenancy Pty Ltd in relation to Quest Campbelltown, Quest Mascot Tenancy Pty Ltd in relation to Quest Mascot, Quest Macquarie Park Tenancy Pty Ltd in relation to Quest Macquarie Park Sydney, Quest SOP Property Pty Ltd in relation to Quest Sydney Olympic Park and Quest Cannon Hill Tenancy Pty Ltd in relation to Quest Cannon Hill; (ii) Citadines Arc de Triomphe Operating SAS in relation to La Clef Tour Eiffel Paris and Citadines SA in relation to the remaining 11 France Properties; (iii) Citadines Betriebsgesellschaft mbH in relation to two of the Properties in Germany, Citadines Betriebs (Frankfurt) GmbH in relation to one Property in Germany, Citadines Betriebs GmbH in relation to one Property in Germany, and the local German operator in relation to the remaining Property in Germany; (iv) Sotetsu Hotel Development Co., Ltd. in relation to Sotetsu Grand Fresa Osaka-Namba and Sotetsu Grand Fresa Tokyo-Bay Ariake and J.S.B. Co., Ltd in relation to Eslead College Gate Kindaimae; and (v) Sotetsu International Korea Co., Ltd. in relation to Sotetsu Hotels The Splaisir Seoul Dongdaemun and Ambasstel Inc. in relation to ibis Ambassador Seoul Insadong.
“Moody’s”	: Moody’s Investors Service, Inc. or its successors.
“NAV”	: Net asset value.

“Non-CDP Calculation Agent”	:	The Bank of New York Mellon, London Branch in its capacity as non-CDP calculation agent under the Agency Agreement, or its successors in such capacity.
“Non-CDP Issuing and Paying Agent”	:	The Bank of New York Mellon, London Branch in its capacity as non-CDP issuing and paying agent under the Agency Agreement, or its successors in such capacity.
“Non-CDP Registrar”	:	The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as non-CDP registrar under the Agency Agreement, or its successors in such capacity.
“Non-CDP Securities”	:	Each Series of Securities other than Securities which have been or will be cleared through the CDP System.
“Non-CDP Transfer Agent”	:	The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as non-CDP transfer agent under the Agency Agreement, or its successors in such capacity.
“Noteholders”	:	The holders of the Notes.
“Notes”	:	The CapitaLand Ascott BT Notes and/or the CapitaLand Ascott REIT Notes, as the context requires.
“Paying Agents”	:	The CDP Issuing and Paying Agent and the Non-CDP Issuing and Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuers as paying agent for the Securities and Coupons.
“Permanent Global Security”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security, being substantially in the form set out in Schedule 3 to the Trust Deed, or as the case may be, Schedule 7 to the Trust Deed.
“Perpetual Securities”	:	The CapitaLand Ascott REIT Perpetual Securities and/or the CapitaLand Ascott BT Perpetual Securities, as the context requires.
“Perpetual Securityholders”	:	The holders of the Perpetual Securities.
“Pricing Supplement”	:	In relation to any Tranche or Series of Securities, a pricing supplement, supplemental to the Information Memorandum, issued by the Relevant Issuer and (where the Relevant Issuer is ARMPL) the Guarantor specifying the relevant issue details in relation to such Tranche or, as the case may be, Series of Securities.
“Programme”	:	The S\$2,000,000,000 Multicurrency Debt Issuance Programme of the Issuers.

“Programme Agreement”	:	The programme agreement dated 9 September 2009 made between (1) ARMPL, as issuer, (2) the Guarantor, as guarantor, (3) DBS Bank Ltd., as arranger, and (4) DBS Bank Ltd., as dealer, as amended and restated by the Amendment and Restatement Programme Agreement, as amended and restated by the Second Amendment and Restatement Programme Agreement, and as further amended, varied or supplemented from time to time.
“Properties”	:	The properties of CLAS, which as at 31 March 2024 comprise the 102 properties ¹ .
“Property Companies”	:	Entities which have direct ownership of the Properties.
“Property Funds Appendix”	:	Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts as may be modified, amended, supplemented, revised or replaced from time to time.
“Property Holding Companies”	:	Entities which own the Properties through the Property Holding Companies.
“Registered Business Trusts”	:	Business trusts registered with the MAS.
“Registered Security”	:	A Security in registered form.
“REIT”	:	Real estate investment trust.
“Relevant Issuer”	:	In relation to any Tranche or Series, the Issuer which has concluded an agreement with the relevant Dealer(s) to issue, or which has issued, the Securities of that Tranche or Series.
“RevPAU”	:	Revenue per available unit in CLAS’ portfolio, determined by dividing Apartment Rental Income by the number of available nights in the applicable period.
“S&P”	:	S&P Global Ratings, a division of S&P Global Inc., or its successors.
“Second Amendment and Restatement Agency Agreement”	:	The second amendment and restatement and restatement agency agreement dated 4 July 2024 made between (1) the Issuers, issuers, (2) the Guarantor, as guarantor, (3) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP calculation agent, CDP transfer agent and CDP registrar, (4) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as non-CDP transfer agent and non-CDP registrar, and (6) the Trustee, as trustee.

¹ Including (i) Somerset Liang Court Singapore which is currently under development and (ii) Novotel Sydney Paramatta which is currently in the process of being divested.

“Second Amendment and Restatement Programme Agreement”	:	The second amendment and restatement programme agreement dated 4 July 2024 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) the Arrangers, as arrangers, and (4) the Dealers, as dealers.
“Second Amendment and Restatement Trust Deed”	:	The second amendment and restatement trust deed dated 4 July 2024 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee.
“Securities”	:	The Notes and the Perpetual Securities.
“Securities Accounts”	:	The securities accounts of the Depositors maintained with the Depository (but does not include Sub-Accounts).
“Securities Act”	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
“Securityholders”	:	The holders of the Notes and the holders of the Perpetual Securities.
“Series”	:	(1) (in relation to Securities other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than Variable Rate Notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
“Senior Perpetual Securities”	:	Perpetual Securities which are expressed to rank as senior obligations of the Relevant Issuer.
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Singapore Properties”	:	The Properties located in Singapore as at 31 March 2024.
“Stapled Securityholders”	:	Holders of Stapled Securities.
“Stapled Securities”	:	Stapled securities in CLAS, each comprising one CapitaLand Ascott REIT Unit and one CapitaLand Ascott BT Unit stapled together under the terms of the Stapling Deed.

- “Stapling Deed”** : The stapling deed dated 9 September 2019 made between (1) the CapitaLand Ascott REIT Manager, as manager of CapitaLand Ascott REIT, (2) the CapitaLand Ascott REIT Trustee, as trustee of CapitaLand Ascott REIT, and (3) the CapitaLand Ascott BT Trustee-Manager, as trustee-manager of CapitaLand Ascott BT, as supplemented by a supplemental stapling deed dated 27 September 2022 between the same parties, and as further amended, modified or supplemented from time to time.
- “Sub-Accounts”** : The securities sub-accounts maintained by each Depository Agent for its own account and for the account of its clients.
- “Subordinated Perpetual Securities”** : Perpetual Securities which are expressed to rank as subordinated obligations of the Relevant Issuer.
- “subsidiary”** : Any corporation which is, for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act) and, in relation to CapitaLand Ascott REIT or CapitaLand Ascott BT, means a company, corporation, trust, fund or other entity (whether or not a body corporate):
- (i) which is controlled, directly or indirectly, by CapitaLand Ascott REIT (whether through the CapitaLand Ascott BT Trustee-Manager as trustee-manager of CapitaLand Ascott BT or, as the case may be, the CapitaLand Ascott REIT Trustee as trustee of CapitaLand Ascott REIT or otherwise) or, as the case may be, CapitaLand Ascott BT; or
 - (ii) more than half the shares or interests of which are beneficially owned, directly or indirectly, by CapitaLand Ascott REIT (whether through the CapitaLand Ascott BT Trustee-Manager as trustee-manager of CapitaLand Ascott BT or, as the case may be, the CapitaLand Ascott REIT Trustee as trustee of CapitaLand Ascott REIT or otherwise) or, as the case may be, CapitaLand Ascott BT; or
 - (iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) of this definition applies,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by CapitaLand Ascott REIT or, as the case may be, CapitaLand Ascott BT if CapitaLand Ascott REIT (whether through its trustee-manager or, as the case may be, trustee or otherwise) or, as the case may be, CapitaLand Ascott BT is able to direct its affairs and/or control the composition of its board of directors or equivalent body.

“S\$” or “\$” and “cents”	:	Singapore dollars and cents respectively.
“Talons”	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
“T2 System”	:	The real time gross settlement system operated by the Eurosystem, or any successor system.
“Tax Rulings”	:	The tax rulings and tax exemptions obtained by CapitaLand Ascott REIT from the IRAS and the Ministry of Finance, including the tax transparency ruling and exemptions on foreign-sourced income received in Singapore in respect of its overseas Properties.
“Temporary Global Security”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed, or as the case may be, Schedule 6 to the Trust Deed.
“Tranche”	:	Securities which are identical in all respects (including as to listing).
“Trust Deed”	:	The trust deed dated 9 September 2009 made between (1) ARMPL, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended and restated by an amendment and restatement trust deed dated 9 July 2020 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended and restated by the Second Amendment and Restatement Trust Deed, and as further amended, varied or supplemented from time to time.
“Trust Property”	:	All the property and rights of any kind whatsoever which are held on trust for the CapitaLand Ascott BT Holders.
“Trustee”	:	The Bank of New York Mellon, Singapore Branch, in its capacity as trustee under the Trust Deed, or its successors in such capacity.
“UK”	:	United Kingdom.
“US Management Companies”	:	The third-party hotel managers which manage three of the Properties located in the United States as at 31 March 2024.
“United States” or “U.S.”	:	United States of America.
“US\$” or “US dollars”	:	United States dollars.
“Variable Rate Notes”	:	Notes which are to bear interest on the basis of a variable rate (in accordance with Condition 5(II)(d) of the CapitaLand Ascott REIT Notes or, as the case may be, the CapitaLand Ascott BT Notes).
“%”	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

ARMPL

Board of Directors	:	Ms Kang Siew Fong Mr Chan Kin Leong Gerry
Company Secretaries	:	Mr Lee Wei Hsiung Mr Hon Wei Seng
Registered Office	:	168 Robinson Road #30-01 Capital Tower Singapore 068912

The Guarantor and the CapitaLand Ascott REIT Trustee

Registered Office	:	12 Marina Boulevard Marina Bay Financial Centre Singapore 018982

The CapitaLand Ascott REIT Manager and the CapitaLand Ascott BT Trustee-Manager

Board of Directors	:	Mr Lui Chong Chee Ms Teo Joo Ling, Serena Mr Sim Juat Quee Michael Gabriel Mr Chia Kim Huat Ms Deborah Lee Siew Yin Mr Max Loh Khum Whai Mr Goh Soon Keat Kevin Ms Beh Siew Kim
Company Secretary	:	Ms Chan Yim Mei Karen
Registered Office	:	168 Robinson Road #30-01 Capital Tower Singapore 068912
Auditors for CLAS for FY2021, FY2022 and FY2023	:	KPMG LLP 12 Marina View, #15-01 Asia Square Tower 2 Singapore 018961
Auditors for CLAS with effect from FY2024	:	Deloitte & Touche LLP 6 Shenton Way, #33-00 OUE Downtown 2, Singapore 068809

Arrangers and Dealers of the Programme	: DBS Bank Ltd. 12 Marina Boulevard Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982 Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Legal Advisers to the Arrangers and the Dealers	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the CapitaLand Ascott REIT Manager, the Issuers and the Guarantor	: Allen Overy Shearman Sterling LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Advisers to the Trustee, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent and the Non-CDP Transfer Agent	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar	: The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192
Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent	: The Bank of New York Mellon, London Branch 160 Queen Victoria Street London EC4V 4LA United Kingdom
Non-CDP Registrar and Non-CDP Transfer Agent	: The Bank of New York Mellon SA/NV, Luxembourg Branch Vertigo Building-Polaris 2-4, rue Eugène Ruppert L-2453 Luxembourg
Trustee for the Securityholders	: The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuers	: (In relation to the Notes) Ascott REIT MTN Pte. Ltd. (In relation to the Securities) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT). (In relation to the Securities) CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT).
Guarantor	: (In relation to the Notes issued by ARMPL) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT).
Legal Entity Identifier (LEI)	: Ascott REIT MTN Pte. Ltd.: 549300WI4I1FEDLD6312 CapitaLand Ascott Real Estate Investment Trust: 549300W6RTG7Y32IWW65 CapitaLand Ascott Business Trust: 5493003W5W484OE36T77
Arrangers	: DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
Dealers	: DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuers in accordance with the Programme Agreement.
Trustee	: The Bank of New York Mellon, Singapore Branch.
CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar	: The Bank of New York Mellon, Singapore Branch.
Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent	: The Bank of New York Mellon, London Branch.
Non-CDP Registrar and Non-CDP Transfer Agent	: The Bank of New York Mellon SA/NV, Luxembourg Branch.
Description	: S\$2,000,000,000 Multicurrency Debt Issuance Programme.

Programme Size : The maximum aggregate principal amount of the Securities outstanding at any time shall be S\$2,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the Programme Agreement.

NOTES

Currency : Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Relevant Issuer and the relevant Dealer(s).

Method of Issue : Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.

Issue Price : Notes may be issued at par or at a discount, or premium, to par.

Maturities : Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Mandatory Redemption : Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

Interest Basis : Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Relevant Issuer and the relevant Dealer(s) or may not bear interest.

Fixed Rate Notes : Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.

Floating Rate Notes : Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SORA (or such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable spread. Interest periods in relation to the Floating Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.

Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Variable Rate Notes

- : Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.

Hybrid Notes

- : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Relevant Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Relevant Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SORA (or such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable spread (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Relevant Issuer and the relevant Dealer(s).

Zero Coupon Notes

- : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Form and Denomination of Notes

- : The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depository for Euroclear and/or Clearstream and/or any other agreed clearing system and will be exchangeable, upon request, as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the

applicable Pricing Supplement, upon request, as described therein, in whole (but not in part) for definitive Notes upon the terms therein.

Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depository for Euroclear and/or Clearstream and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.

Custody of the Notes	: Notes may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream are required to be kept with a common depository on behalf of Euroclear and/or Clearstream.
Status of the Notes and the Guarantee	: The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Relevant Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Relevant Issuer. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank <i>pari passu</i> with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.
Optional Redemption and Purchase	: If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Relevant Issuer (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the holders of the Notes.

Redemption at Option of Noteholders upon Cessation or Suspension of Listing and/or Trading of Units – CapitaLand Ascott BT Notes only : In the event that (a) (i) (for so long as the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are Stapled) the Stapled Units or (ii) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott BT Units cease to be listed and/or traded on the SGX-ST or (b) trading in the Stapled Units or, as the case may be, the CapitaLand Ascott BT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days, the CapitaLand Ascott BT Trustee-Manager shall, at the option of the holder of any Note, redeem such Note at its redemption amount, together with interest accrued to (but excluding) the date fixed for redemption on the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date.

For the purposes of the paragraph above,

(A) “**CapitaLand Ascott REIT Units**”, “**CapitaLand Ascott BT Units**”, “**Stapled**” and “**Stapled Units**” bear the same meanings as ascribed to them in the Trust Deed;

(B) “**Effective Date**” means (in the case of (a) above) the date of cessation of listing and/or trading or (in the case of (b) above) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and

(C) “**market day**” means a day on which the SGX-ST is open for securities trading.

Redemption at Option of Noteholders upon Cessation or Suspension of Listing and/or Trading of Units – CapitaLand Ascott REIT Notes only : In the event that (a) (i) (for so long as the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are Stapled) the Stapled Units or (ii) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott REIT Units cease to be listed and/or traded on the SGX-ST or (b) trading in the Stapled Units or, as the case may be, the CapitaLand Ascott REIT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days, the Relevant Issuer shall, at the option of the holder of any Note, redeem such Note at its redemption amount, together with interest accrued to (but excluding) the date fixed for redemption on the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date.

For the purposes of the paragraph above,

- (A) **“CapitaLand Ascott REIT Units”**, **“CapitaLand Ascott BT Units”**, **“Stapled”** and **“Stapled Units”** bear the same meanings as ascribed to them in the Trust Deed;
- (B) **“Effective Date”** means (in the case of (a) above) the date of cessation of listing and/or trading or (in the case of (b) above) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (C) **“market day”** means a day on which the SGX-ST is open for securities trading.

Mandatory Redemption upon Termination of CapitaLand Ascott BT – CapitaLand Ascott BT Notes only : In the event that CapitaLand Ascott BT is or is to be terminated in accordance with the provisions of the CapitaLand Ascott BT Trust Deed, the CapitaLand Ascott BT Trustee-Manager shall redeem all (and not some only) of the Notes at their redemption amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of CapitaLand Ascott BT.

Mandatory Redemption upon Termination of CapitaLand Ascott REIT – CapitaLand Ascott REIT Notes only : In the event that CapitaLand Ascott REIT is or is to be terminated in accordance with the provisions of the CapitaLand Ascott REIT Trust Deed, the Relevant Issuer shall redeem all (and not some only) of the Notes at their redemption amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of CapitaLand Ascott REIT.

Redemption for Taxation Reasons – CapitaLand Ascott BT Notes only : If so provided on the face of the Notes, the Notes may be redeemed at the option of the CapitaLand Ascott BT Trustee-Manager in whole, but not in part, on any interest payment date or, if so specified on the face of the Note, at any time on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their redemption amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) of the CapitaLand Ascott BT Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the CapitaLand Ascott BT Trustee-Manager has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the CapitaLand Ascott BT Notes, or increase the payment of such additional amounts, as a result of

any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the issue date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the CapitaLand Ascott BT Trustee-Manager taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the CapitaLand Ascott BT Trustee-Manager would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption for Taxation Reasons – : If so provided on the face of the Notes, the Notes may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any interest payment date or, if so specified on the face of the Note, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their redemption amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) of the CapitaLand Ascott REIT Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the CapitaLand Ascott REIT Notes, or, if the Guarantee was called, the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the CapitaLand Ascott REIT Notes in excess of the additional amounts that it would have otherwise paid as at the issue date, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the issue date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Relevant Issuer or, as the case may be, the CapitaLand Ascott REIT Notes only

Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Mandatory Redemption upon Change of Issuer – CapitaLand Ascott BT Notes only

: In the event that there is to be a substitution in place of the CapitaLand Ascott BT Trustee-Manager as the principal debtor of the Notes, the Coupons and the Trust Deed (a “**Change of Issuer Event**”), and the approval of the Noteholders for the Change of Issuer Event has not been obtained, the CapitaLand Ascott BT Trustee-Manager shall redeem all (and not some only) of the Notes at their Redemption Amount, together with interest accrued to the date fixed for redemption, not later than the COI Redemption Date.

The CapitaLand Ascott BT Trustee-Manager shall forthwith notify the Trustee, the Issuing and Paying Agent, the Registrar, the Transfer Agent and the Noteholders its intention whether to convene a meeting of the Noteholders to approve the Change of Issuer Event, and if there is no such intention, of the Redemption Amount of the Notes and the COI Redemption Date (“**COI Notification**”).

For the purposes of the above paragraph, “**COI Redemption Date**” means the date falling at least 30 days from (i) (in the case where a meeting of the Noteholders has been convened to approve the Change of Issuer Event and such approval has not been obtained) the date of such meeting (or if adjourned, the date of such adjourned meeting) or (ii) (in the case where no such meeting has been convened) the date of the COI Notification, and in any event in the case of (i) and (ii) above, no later than the effective date of the Change of Issuer Event.

For the avoidance of doubt, such mandatory redemption shall not apply if, at least five business days before the COI Redemption Date, the CapitaLand Ascott BT Trustee-Manager delivers to the Trustee a certificate confirming that the Change of Issuer Event will no longer occur. Any notice of redemption of the Notes from the CapitaLand Ascott BT Trustee-Manager shall be given no later than 15 business days prior to the COI Redemption Date.

Redemption in the case of Minimum Outstanding Amount : If so provided on the face of the Notes, the Notes may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Negative Pledge – CapitaLand Ascott BT Notes only : The CapitaLand Ascott BT Trustee-Manager has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), other than a Permitted Security Interest (as defined below), upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the CapitaLand Ascott BT Trustee-Manager or the Principal Subsidiaries (as defined below), to secure any Relevant Indebtedness (as defined below) unless the CapitaLand Ascott BT Trustee-Manager, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with any such Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this paragraph:

“**Permitted Security Interest**” means a Security Interest over any present and future assets or revenues or any part thereof in connection with any asset-based financing (including, without limitation, a securitisation or project financing) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, without further recourse to the relevant obligor;

“Principal Subsidiaries” means any subsidiary of CapitaLand Ascott BT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the CapitaLand Ascott BT Group have been prepared, is at least 10 per cent. of the total assets of the CapitaLand Ascott BT Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or CapitaLand Ascott BT (the **“transferee”**) then:

- (I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott BT) shall thereupon become a Principal Subsidiary; and
- (II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott BT) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (aa) the first audited consolidated accounts of the CapitaLand Ascott BT Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets of the CapitaLand Ascott BT Group, as shown by such audited consolidated accounts and (bb) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 10 per cent. of the total assets of the CapitaLand Ascott BT Group. A report by the Auditors of the CapitaLand Ascott BT Trustee-Manager, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

“Relevant Indebtedness” means (1) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market and having an original tenure of more than one year; and (2) any guarantee or indemnity of any such indebtedness.

Financial Covenant – CapitaLand : The CapitaLand Ascott BT Trustee-Manager has covenanted with the Trustee in the Trust Deed that for so long as any of the Notes remains outstanding, it will ensure that the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall not exceed 0.70:1.
Ascott BT Notes only

For the purposes of this paragraph:

“Consolidated Total Assets” means at any time in relation to CapitaLand Ascott BT, the value of the total assets of the CapitaLand Ascott BT Group based on the latest valuation in accordance with the CapitaLand Ascott BT Trust Deed at such time; and

“Consolidated Total Borrowings” means an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (and where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation):

- (i) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months of the CapitaLand Ascott BT Group;
- (ii) the principal amount of the Notes or any bonds or debentures of any member of the CapitaLand Ascott BT Group whether issued for cash or a consideration other than cash;
- (iii) the liabilities of the CapitaLand Ascott BT Trustee-Manager under the Trust Deed or the Notes;
- (iv) all other indebtedness whatsoever of the CapitaLand Ascott BT Group for borrowed moneys; and

- (v) any redeemable preference shares or units issued by any member of the CapitaLand Ascott BT Group and which are regarded by generally accepted accounting principles in Singapore as debt or other liabilities of the CapitaLand Ascott BT Group (other than those shares or units which are regarded as equity as reflected in the most recently published consolidated balance sheet of the CapitaLand Ascott BT Group prepared in accordance with generally accepted accounting principles in Singapore).

Negative Pledge – CapitaLand Ascott REIT Notes only :

(In the case where ARMPL or the CapitaLand Ascott REIT Trustee is the Issuer) the Relevant Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), other than a Permitted Security Interest (as defined below), upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the Issuer or (where the CapitaLand Ascott REIT Trustee is the Issuer) the Principal Subsidiaries (as defined below), to secure any Relevant Indebtedness (as defined below) unless the Relevant Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with any such Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is approved by an Extraordinary Resolution of the Noteholders.

(In the case where the CapitaLand Ascott REIT Trustee is the Guarantor) the Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the Guarantor or any of the Principal Subsidiaries, to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with any such Relevant Indebtedness; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this paragraph:

“Permitted Security Interest” means a Security Interest over any present and future assets or revenues or any part thereof in connection with any asset-based financing (including, without limitation, a securitisation or project financing) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, without further recourse to the relevant obligor;

“Principal Subsidiaries” means any subsidiary of CapitaLand Ascott REIT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the CapitaLand Ascott REIT Group have been prepared, is at least 10 per cent. of the total assets of the CapitaLand Ascott REIT Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or CapitaLand Ascott REIT (the **“transferee”**) then:

- (I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott REIT) shall thereupon become a Principal Subsidiary; and
- (II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott REIT) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (aa) the first audited consolidated accounts of the

CapitaLand Ascott REIT Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets of the CapitaLand Ascott REIT Group, as shown by such audited consolidated accounts and (bb) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 10 per cent. of the total assets of the CapitaLand Ascott REIT Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

“Relevant Indebtedness” means (1) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market and having an original tenure of more than one year; and (2) any guarantee or indemnity of any such indebtedness.

Further Covenants by the CapitaLand Ascott REIT Trustee – CapitaLand Ascott REIT Notes only : In the Trust Deed, the CapitaLand Ascott REIT Trustee has covenanted with the Trustee that so long as any of the Notes remains outstanding, *inter alia*:

- (a) it will ensure that it will at all times own (directly or indirectly) the whole of the issued share capital for the time being of ARMPL; and
- (b) it will comply with the Property Fund Appendix and, if applicable, the listing guidelines of the SGX-ST.

Events of Default : See Condition 10 of the Notes.

Substitutions – CapitaLand Ascott REIT Notes only : In the case where ARMPL is the Relevant Issuer, the Trustee may, without the consent of the Noteholders, agree with ARMPL and the Guarantor to the substitution in place of ARMPL (or of any previous substitute under Condition 12 of the CapitaLand Ascott REIT Notes) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company being the Guarantor or a wholly-owned subsidiary of CapitaLand Ascott REIT, subject to:

- (a) except in the case of the substitution of the Issuer by the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;
- (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (c) certain other conditions set out in the Trust Deed being complied with.

In addition, the Issuer and (where the Relevant Issuer is ARMPL) the Guarantor may substitute in place of DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (or of any previous substitute under Condition 12 of the CapitaLand Ascott REIT Notes) as (where the Relevant Issuer is not ARMPL) the principal debtor and (where the Relevant Issuer is ARMPL) the guarantor under the Notes, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of CapitaLand Ascott REIT (such substituted company being hereinafter called the “**New CapitaLand Ascott REIT Trustee**”) in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, subject to:

- (i) the Trustee being provided with evidence to its satisfaction that the appointment of the New CapitaLand Ascott REIT Trustee has been completed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, including a copy of the deed supplemental to the CapitaLand Ascott REIT Trust Deed providing for such appointment, a confirmation from the CapitaLand Ascott REIT Manager that the Deposited Property has been vested in the New CapitaLand Ascott REIT Trustee, and an opinion from independent legal advisors of recognised standing to the effect such appointment of the New CapitaLand Ascott REIT Trustee is legal, valid and binding on CapitaLand Ascott REIT; and
- (ii) certain other conditions set out in the Trust Deed being complied with.

Taxation	: All payments in respect of the Notes and the Coupons by the Relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions.
Listing	: Each Series of the Notes may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	: For a description of certain restrictions on offers, sales and deliveries of the Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	: The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

Currency	: Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in Singapore dollars, or any other currency agreed between the Relevant Issuer and the relevant Dealer(s).

Method of Issue	: Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Relevant Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	: Perpetual Securities may be issued at par or at a discount, or premium, to par.
No Fixed Maturity	: The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Relevant Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.
Distribution Basis	: Subject to Condition 4(IV) of the CapitaLand Ascott BT Perpetual Securities or, as the case may be, Condition 4(IV) of the CapitaLand Ascott REIT Perpetual Securities, Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	: Subject to Condition 4(IV) of the CapitaLand Ascott BT Perpetual Securities or, as the case may be, Condition 4(IV) of the CapitaLand Ascott REIT Perpetual Securities, Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	: Subject to Condition 4(IV) of the CapitaLand Ascott BT Perpetual Securities or, as the case may be, Condition 4(IV) of the CapitaLand Ascott REIT Perpetual Securities, Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SORA (or such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable spread. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.

Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Distribution Discretion – CapitaLand Ascott BT Perpetual Securities only :

If Optional Payment is set out on the face of the Perpetual Securities, the CapitaLand Ascott BT Trustee-Manager may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the CapitaLand Ascott BT Perpetual Securities) by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the CapitaLand Ascott BT Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Securities and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out on the face of the Perpetual Securities, the CapitaLand Ascott BT Trustee-Manager may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the CapitaLand Ascott BT Trustee-Manager's Junior Obligations (as defined in Condition 4(IV)(a)(1) of the CapitaLand Ascott BT Perpetual Securities) or (except on a *pro rata* basis) any of the CapitaLand Ascott BT Trustee-Manager's Specified Parity Obligations (as defined in Condition 4(IV)(a)(2) of the CapitaLand Ascott BT Perpetual Securities); or
- (ii) any of the CapitaLand Ascott BT Trustee-Manager's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the CapitaLand Ascott BT Trustee-Manager's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or

- (iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott BT Group, (2) as a result of the exchange or conversion of the Specified Parity Obligations of the CapitaLand Ascott BT Trustee-Manager for Junior Obligations of the CapitaLand Ascott BT Trustee-Manager and/or (3) as otherwise specified in the applicable Pricing Supplement.

Distribution Discretion – CapitaLand Ascott REIT Perpetual Securities only :

If Optional Payment is set out on the face of the Perpetual Securities, the CapitaLand Ascott REIT Trustee may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the CapitaLand Ascott REIT Perpetual Securities) by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the CapitaLand Ascott REIT Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Securities and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out on the face of the Perpetual Securities, the CapitaLand Ascott REIT Trustee may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the CapitaLand Ascott REIT Trustee's Junior Obligations (as defined in Condition 4(IV)(a)(1) of the CapitaLand Ascott REIT Perpetual Securities) or (except on a *pro rata* basis) any of the CapitaLand Ascott REIT Trustee's Specified Parity Obligations (as defined in Condition 4(IV)(a)(2) of the CapitaLand Ascott REIT Perpetual Securities); or

- (ii) any of the CapitaLand Ascott REIT Trustee's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the CapitaLand Ascott REIT Trustee's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott REIT Group, (2) as a result of the exchange or conversion of the Specified Parity Obligations of the CapitaLand Ascott REIT Trustee for Junior Obligations of the CapitaLand Ascott REIT Trustee and/or (3) as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Cumulative Deferral	Deferral	and	:	If Non-Cumulative Deferral is set out on the face of the Perpetual Securities, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Relevant Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Relevant Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("Optional Distribution") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Relevant Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

Any partial payment of outstanding Optional Distribution by the Relevant Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is set out on the face of the Perpetual Securities, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Relevant Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities)

further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Relevant Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is set out on the face of the Perpetual Securities, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment – CapitaLand Ascott BT Perpetual Securities only :

If Dividend Stopper is set out on the face of the Perpetual Securities and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the CapitaLand Ascott BT Perpetual Securities, the CapitaLand Ascott BT Trustee-Manager shall not, and shall procure that none of the subsidiaries of CapitaLand Ascott BT shall, in respect of the CapitaLand Ascott BT Trustee-Manager’s Junior Obligations or the CapitaLand Ascott BT Trustee-Manager’s Specified Parity Obligations:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the CapitaLand Ascott BT Trustee-Manager’s Junior Obligations or (except on a *pro rata* basis) any of the CapitaLand Ascott BT Trustee-Manager’s Specified Parity Obligations; or

- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the CapitaLand Ascott BT Trustee-Manager's Junior Obligations or (except on a *pro rata* basis) any of the CapitaLand Ascott BT Trustee-Manager's Specified Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott BT Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the CapitaLand Ascott BT Trustee-Manager for the Junior Obligations of the CapitaLand Ascott BT Trustee-Manager, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the CapitaLand Ascott BT Trustee-Manager has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the CapitaLand Ascott BT Trustee-Manager is permitted to do so (or to procure or permit the subsidiaries of CapitaLand Ascott BT to do so) by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Restrictions in the case of Non-Payment – CapitaLand Ascott REIT Perpetual Securities only :

If Dividend Stopper is set out on the face of the Perpetual Securities and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the CapitaLand Ascott REIT Perpetual Securities, the CapitaLand Ascott REIT Trustee shall not and shall procure that none of the subsidiaries of CapitaLand Ascott REIT shall, in respect of the CapitaLand Ascott REIT Trustee's Junior Obligations or the CapitaLand Ascott REIT Trustee's Specified Parity Obligations:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the CapitaLand Ascott REIT Trustee's Junior Obligations or (except on a *pro rata* basis) any of the CapitaLand Ascott REIT Trustee's Specified Parity Obligations; or

- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the CapitaLand Ascott REIT Trustee's Junior Obligations or (except on a *pro rata* basis) any of the CapitaLand Ascott REIT Trustee's Specified Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott REIT Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the CapitaLand Ascott REIT Trustee for the Junior Obligations of the CapitaLand Ascott REIT Trustee unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the CapitaLand Ascott REIT Trustee has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the CapitaLand Ascott REIT Trustee is permitted to do so (or to procure or permit the subsidiaries of CapitaLand Ascott REIT to do so) by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities : The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and/or Clearstream and/or any other agreed clearing system and will be exchangeable, upon request, as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be

exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate.

Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and/or Clearstream and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Perpetual Securities, a Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.

Custody of the Perpetual Securities	:	Perpetual Securities may be cleared through CDP. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depositary. Perpetual Securities which are cleared through Euroclear and/or Clearstream are required to be kept with a common depositary on behalf of Euroclear and/or Clearstream.
Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Relevant Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Relevant Issuer.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Relevant Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with any Parity Obligations (as defined in Condition 3(b)(i) of the Perpetual Securities) of the Relevant Issuer.

Subordination of the Subordinated Perpetual Securities – CapitaLand Ascott BT Perpetual Securities only :

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 9(a) of the CapitaLand Ascott BT Perpetual Securities) of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, there shall be payable by the CapitaLand Ascott BT Trustee-Manager in respect of each Subordinated Perpetual Security (in lieu of any other payment by the CapitaLand Ascott BT Trustee-Manager), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CapitaLand Ascott BT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**CapitaLand Ascott BT Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a) of the CapitaLand Ascott BT Perpetual Securities) of the CapitaLand Ascott BT Trustee-Manager but junior to the claims of all other present and future creditors of the CapitaLand Ascott BT Trustee-Manager (other than Parity Obligations of the CapitaLand Ascott BT Trustee-Manager), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CapitaLand Ascott BT Notional Preferred Unit on a return of assets in such Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the CapitaLand Ascott BT Perpetual Securities) in respect of which the CapitaLand Ascott BT Trustee-Manager has given notice to the Perpetual Securityholders.

Subordination of the Subordinated Perpetual Securities – CapitaLand Ascott REIT Perpetual Securities only : Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 9(a) of the CapitaLand Ascott REIT Perpetual Securities) of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, there shall be payable by the CapitaLand Ascott REIT Trustee in respect of each Subordinated Perpetual Security (in lieu of any other payment by the CapitaLand Ascott REIT Trustee), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CapitaLand Ascott REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “CapitaLand Ascott REIT Notional Preferred Units”) having an equal right to return of assets in the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT and so ranking pari passu with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a) of the CapitaLand Ascott REIT Perpetual Securities) of the CapitaLand Ascott REIT Trustee but junior to the claims of all other present and future creditors of the CapitaLand Ascott REIT Trustee (other than Parity Obligations of the CapitaLand Ascott REIT Trustee), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CapitaLand Ascott REIT Notional Preferred Unit on a return of assets in such Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the CapitaLand Ascott REIT Perpetual Securities) in respect of which the CapitaLand Ascott REIT Trustee has given notice to the Perpetual Securityholders.

Set-off in relation to the Subordinated Perpetual Securities – CapitaLand Ascott BT Perpetual Securities only : Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the CapitaLand Ascott BT Trustee-Manager in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the CapitaLand Ascott BT Trustee-Manager. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the CapitaLand Ascott BT Trustee-Manager in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the CapitaLand Ascott BT Trustee-Manager (or, in the event of the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, the liquidator or, as appropriate, administrator of the CapitaLand Ascott BT Trustee-Manager or, as the case may be, CapitaLand Ascott BT) and, until such time as payment is made, shall hold such amount in trust for the CapitaLand Ascott BT Trustee-Manager (or the liquidator or, as appropriate, administrator of the CapitaLand Ascott BT Trustee-Manager or, as the case may be, CapitaLand Ascott BT) and accordingly any such discharge shall be deemed not to have taken place.

Set-off in relation to the Subordinated Perpetual Securities – CapitaLand Ascott REIT Perpetual Securities only : Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the CapitaLand Ascott REIT Trustee in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such

rights of set-off, deduction, withholding or retention against the CapitaLand Ascott REIT Trustee. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the CapitaLand Ascott REIT Trustee in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the CapitaLand Ascott REIT Trustee (or, in the event of the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, the liquidator or, as appropriate, administrator of the CapitaLand Ascott REIT Trustee or, as the case may be, CapitaLand Ascott REIT) and, until such time as payment is made, shall hold such amount in trust for the CapitaLand Ascott REIT Trustee (or the liquidator or, as appropriate, administrator of the CapitaLand Ascott REIT Trustee or, as the case may be, CapitaLand Ascott REIT) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Issuer : If so provided on the face of the Perpetual Securities, the Relevant Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Relevant Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) to the date fixed for redemption.

- Redemption for Taxation Reasons : If so provided on the face of the Perpetual Securities, the Perpetual Securities may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:
- (i) the Relevant Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, and the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will be subject to withholding tax in Singapore when paid to persons not tax resident in Singapore (other than Singapore branches of foreign companies); or
 - (2) the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Relevant Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA, and such distributions will be subject to withholding tax in Singapore when paid to persons not tax resident in Singapore (other than Singapore branches of foreign companies); or

(ii) the Relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts as a result of:

- (1) any amendment to, or change in, the laws (or any rules or regulations or administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
- (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations or administrative pronouncements promulgated thereunder by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and publication of any judicial decision or regulatory determination) which amendment or change is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
- (3) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations or administrative pronouncements promulgated thereunder that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

and such obligation cannot be avoided by the Relevant Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Relevant Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

- Redemption for Accounting Reasons : The Perpetual Securities may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or as the case may be, the Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS (I)**") or any other accounting standards that may replace SFRS or, as the case may be, SFRS(I) for the purposes of the consolidated financial statements of (in the case of CapitaLand Ascott REIT Perpetual Securities) CapitaLand Ascott REIT or (in the case of CapitaLand Ascott BT Perpetual Securities) CapitaLand Ascott BT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of (in the case of CapitaLand Ascott REIT Perpetual Securities) CapitaLand Ascott REIT or (in the case of CapitaLand Ascott BT Perpetual Securities) CapitaLand Ascott BT pursuant to the Relevant Accounting Standard.
- Redemption for Tax Deductibility : If so provided in the terms of the relevant Perpetual Securities, the Perpetual Securities may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the terms of the relevant Perpetual Securities, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption):
- (i) if the Relevant Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

- (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
- (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) by the Relevant Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

- (ii) the Relevant Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount : If so provided on the face of the Perpetual Securities, the Perpetual Securities may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Securities, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Redemption upon Cessation or Suspension of Trading of Units – CapitaLand Ascott BT Perpetual Securities only : If so provided in the terms of the relevant Perpetual Security, in the event that (i) (for so long as the CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units are Stapled) the Stapled Units or (ii) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott BT Units cease to be listed and/or traded on the SGX-ST or trading in the Stapled Units or, as the case may be, the CapitaLand Ascott BT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days (each, a **“Cessation or Suspension of Trading Event”**), the Perpetual Securities may be redeemed at the option of the CapitaLand Ascott BT Trustee-Manager in whole, but not in part, on any Distribution Payment Date or, if earlier, the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption).

For the purposes of this paragraph:

- (i) **“CapitaLand Ascott REIT Units”**, **“CapitaLand Ascott BT Units”**, **“Stapled”** and **“Stapled Units”** bear the same meanings as ascribed to them in the Trust Deed;

- (ii) **“Effective Date”** means (in the case where the Stapled Units or CapitaLand Ascott BT Units cease to be listed and/or traded on the SGX-ST) the date of cessation of listing or, as the case may be, trading or (in the case where trading in the Stapled Units or CapitaLand Ascott BT Units on the SGX-ST is suspended for a continuous period of more than 10 consecutive market days) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (iii) **“market day”** means a day on which the SGX-ST is open for securities trading.

Redemption upon Cessation or Suspension of Trading of Units – CapitaLand Ascott REIT Perpetual Securities only :

If so provided in the terms of the relevant Perpetual Security, in the event that (i) (for so long as the CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units are Stapled) the Stapled Units or (ii) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott REIT Units cease to be listed and/or traded on the SGX-ST or trading in the Stapled Units or, as the case may be, CapitaLand Ascott REIT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days (each, a **“Cessation or Suspension of Trading Event”**), the Perpetual Securities may be redeemed at the option of the CapitaLand Ascott REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if earlier, the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption).

For the purposes of this paragraph:

- (i) **“CapitaLand Ascott REIT Units”**, **“CapitaLand Ascott BT Units”**, **“Stapled”** and **“Stapled Units”** bear the same meanings as ascribed to them in the Trust Deed;

- (ii) **“Effective Date”** means (in the case where the Stapled Units or CapitaLand Ascott REIT Units cease to be listed and/or traded on the SGX-ST) the date of cessation of listing or, as the case may be, trading or (in the case where trading in the Stapled Units or CapitaLand Ascott REIT Units on the SGX-ST is suspended for a continuous period of more than 10 consecutive market days) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (iii) **“market day”** means a day on which the SGX-ST is open for securities trading.

Redemption upon a Regulatory Event – CapitaLand Ascott BT Perpetual Securities only : If so provided on the face of the relevant Perpetual Securities and only where the CapitaLand Ascott BT Trustee-Manager is subject to the Property Funds Appendix or such equivalent regulation for business trusts generally, the CapitaLand Ascott BT Trustee-Manager may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their redemption amount, together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to the date fixed for redemption, on the CapitaLand Ascott BT Trustee-Manager giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the CapitaLand Ascott BT Trustee-Manager to redeem the Perpetual Securities), if the CapitaLand Ascott BT Trustee-Manager satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix or such equivalent regulation for business trusts generally, or any change in the application or official interpretation of the Property Funds Appendix or such equivalent regulation for business trusts generally, the Perpetual Securities count or will count towards the percentage limit as property funds may from time to time be permitted under the Property Funds Appendix or such equivalent regulation for business trusts generally, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the percentage limit.

- Redemption upon a Regulatory Event – CapitaLand Ascott REIT Perpetual Securities only : If so provided on the face of the relevant Perpetual Securities, the CapitaLand Ascott REIT Trustee may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their redemption amount, together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to the date fixed for redemption, on the CapitaLand Ascott REIT Trustee giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the CapitaLand Ascott REIT Trustee to redeem the Perpetual Securities), if the CapitaLand Ascott REIT Trustee satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.
- Redemption upon a Ratings Event : If so provided on the face of the relevant Perpetual Security, the Relevant Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable and shall oblige the Relevant Issuer to redeem the Perpetual Securities), at their Redemption Amount (together with distribution (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined below) requested from time to time by the Relevant Issuer to grant an equity classification to the Perpetual Securities and, in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

For the purposes of this paragraph, “**Rating Agency**” means Fitch Ratings, Moody’s Investor Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., or any of their respective successors.

Limited right to institute proceedings in relation to Perpetual Securities : The right to institute proceedings for the Winding-Up (as defined in Condition 9(a) of the CapitaLand Ascott BT Perpetual Securities and Condition 9(a) of the CapitaLand Ascott REIT Perpetual Securities) in respect of CapitaLand Ascott BT or, as the case may be, CapitaLand Ascott REIT is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Relevant Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the CapitaLand Ascott BT Perpetual Securities or, as the case may be, Condition 4(IV) of the CapitaLand Ascott REIT Perpetual Securities.

Proceedings for Winding-Up – CapitaLand Ascott BT Perpetual Securities only : If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the CapitaLand Ascott BT Trustee-Manager and/or CapitaLand Ascott BT or (ii) the CapitaLand Ascott BT Trustee-Manager does not pay any principal, distribution or other amount payable by it under any of the CapitaLand Ascott BT Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for 15 business days after the due date, the CapitaLand Ascott BT Trustee-Manager shall be deemed to be in default under the Trust Deed and the CapitaLand Ascott BT Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the CapitaLand Ascott BT Perpetual Securities, institute proceedings for the Winding-Up of CapitaLand Ascott BT, prove in the Winding-Up of the CapitaLand Ascott BT Trustee-Manager and/or CapitaLand Ascott BT and/or claim in the liquidation of the CapitaLand Ascott BT Trustee-Manager and/or CapitaLand Ascott BT for such payment.

Proceedings for Winding-Up – CapitaLand Ascott REIT Perpetual Securities only : If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the CapitaLand Ascott REIT Trustee and/or CapitaLand Ascott REIT or (ii) the CapitaLand Ascott REIT Trustee does not pay any principal, distribution or other amount payable by it under any of the CapitaLand Ascott REIT Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for 15 business days after the due

date, the CapitaLand Ascott REIT Trustee shall be deemed to be in default under the Trust Deed and the CapitaLand Ascott REIT Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the CapitaLand Ascott REIT Perpetual Securities, institute proceedings for the Winding-Up of the CapitaLand Ascott REIT, prove in the Winding-Up of the CapitaLand Ascott REIT Trustee and/or CapitaLand Ascott REIT and/or claim in the liquidation of the CapitaLand Ascott REIT Trustee and/or CapitaLand Ascott REIT for such payment.

- Substitutions – CapitaLand Ascott REIT Perpetual Securities only :
- The Issuer may substitute in place of DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (or of any previous substitute under Condition 10 of the CapitaLand Ascott REIT Perpetual Securities) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of CapitaLand Ascott REIT (such substituted company being hereinafter called the “**New CapitaLand Ascott REIT Trustee**”) in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, subject to:
- (i) the Trustee being provided with evidence to its satisfaction that the appointment of the New CapitaLand Ascott REIT Trustee has been completed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, including a copy of the deed supplemental to the CapitaLand Ascott REIT Trust Deed providing for such appointment, a confirmation from the CapitaLand Ascott REIT Manager that the Deposited Property (as defined in the CapitaLand Ascott REIT Trust Deed) has been vested in the New CapitaLand Ascott REIT Trustee, and an opinion from independent legal advisors of recognised standing to the effect such appointment of the New CapitaLand Ascott REIT Trustee is legal, valid and binding on CapitaLand Ascott REIT; and
 - (ii) certain other conditions set out in the Trust Deed being complied with.

Taxation

- : All payments in respect of the Perpetual Securities and the Coupons by the Relevant Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Relevant Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions.

Where the CapitaLand Ascott REIT Perpetual Securities issued by the CapitaLand Ascott REIT Trustee are not recognised as debt securities for Singapore income tax purposes, all payments, or part thereof, of Distributions and Optional Distributions in respect of the CapitaLand Ascott REIT Perpetual Securities by or on behalf of the CapitaLand Ascott REIT Trustee may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, and the CapitaLand Ascott REIT Trustee may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the CapitaLand Ascott REIT Trustee shall not be under any obligation to pay any additional amounts as will result in receipt by the holders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

Listing

- : Each Series of the Perpetual Securities may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.

If the application to the SGX-ST to list a particular Series of Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).

- Selling Restrictions
- :
- For a description of certain restrictions on offers, sales and deliveries of the Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of the Perpetual Securities.
- Governing Law
- :
- The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE CAPITALAND ASCOTT BT NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a trust deed dated 9 September 2009 made between (1) Ascott REIT MTN Pte. Ltd. (“**ARMPL**”), as issuer, (2) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) (“**CapitaLand Ascott REIT**”)) (the “**CapitaLand Ascott REIT Trustee**”), as guarantor, and (3) The Bank of New York Mellon, as trustee for the Noteholders (as defined below) (as amended and restated by an amendment and restatement trust deed dated 9 July 2020 made between (1) ARMPL, DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (in its capacity as trustee-manager of CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) (“**CapitaLand Ascott BT**”)) (the “**Issuer**”), as issuers, (2) the CapitaLand Ascott REIT Trustee, in its capacity as guarantor for Notes (as defined in the Trust Deed) issued by ARMPL (the “**Guarantor**”), and (3) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as amended and restated by a second amendment and restatement trust deed dated 4 July 2024 made between the same parties, and as further amended, restated and supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 9 July 2020 (as supplemented by a supplemental deed of covenant dated 4 July 2024 and as further amended and supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer, relating to CDP Notes issued by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. ARMPL and the Guarantor have entered into an agency agreement dated 9 September 2009 made between (1) ARMPL, (2) the Guarantor, (3) The Bank of New York Mellon, as issuing and paying agent and agent bank, and (4) The Bank of New York Mellon, as trustee (as amended and restated by an amendment and restatement agency agreement dated 9 July 2020 made between (1) the Issuer, ARMPL and the CapitaLand Ascott REIT Trustee, as issuers, (2) the Guarantor, (3) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Notes (in such capacity, the “**CDP Issuing and Paying Agent**”), transfer agent in respect of CDP Notes (in such capacity, the “**CDP Transfer Agent**”), registrar in respect of CDP Notes (in such capacity, the “**CDP Registrar**”) and calculation agent in respect of CDP Notes (in such capacity, the “**CDP Calculation Agent**”), (4) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Notes cleared or to be cleared through Euroclear (as defined below) and/or Clearstream (as defined below) (“**Non-CDP Notes**”) (in such capacity, the “**Non-CDP Issuing and Paying Agent**” and, together with the CDP Issuing and Paying Agent and any other issuing and paying agents that may be appointed, the “**Issuing and Paying Agents**”) and the Issuing and Paying Agents together with any other paying agents, the “**Paying Agents**”) and as calculation agent in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Calculation Agent**” and, together with the CDP Calculation Agent, the “**Calculation Agents**”),

(5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Notes (in such capacity, the **“Non-CDP Transfer Agent”** and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the **“Transfer Agents”**) and registrar in respect of Non-CDP Notes (in such capacity, the **“Non-CDP Registrar”** and, together with the CDP Registrar, the **“Registrars”**), and (6) the Trustee, as trustee, as amended and restated by a second amendment and restatement agency agreement dated 4 July 2024 made between the same parties, and as further amended, restated or supplemented from time to time, the **“Agency Agreement”**). The Noteholders and the holders (the **“Couponholders”**) of the coupons (the **“Coupons”**) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the **“Talons”**) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Calculation Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Calculation Agent, (c) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar, and (d) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the specified office of the Trustee for the time being and at the respective specified offices of the Issuing and Paying Agents for the time being upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the **“Notes”**) are issued in bearer form (**“Bearer Notes”**) or in registered form (**“Registered Notes”**), in each case in the Denomination Amount shown on the face of the Note. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown in its terms).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (**“Certificates”**) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”), The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear and/or Clearstream, the Depository and/or such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, the Depository and/or such other clearing system. For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of Notes shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).
- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or

Talon or the person in whose name the relevant Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).

- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar, at the cost and expense of the Issuer, to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes

In the case of an exercise of an Issuer’s or a Noteholder’s option in respect of, or a partial redemption of or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, “**business day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Noteholder of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge and Financial Covenant

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), other than a Permitted Security Interest (as defined below), upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the Issuer or the Principal Subsidiaries (as defined in Condition 10), to secure any Relevant Indebtedness (as defined below) unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with any such Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

(b) Financial Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that for so long as any of the Notes remains outstanding, it will ensure that the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall not exceed 0.70:1.

For the purpose of these Conditions:

“**Consolidated Total Assets**” means at any time in relation to CapitaLand Ascott BT, the value of the total assets of the CapitaLand Ascott BT Group based on the latest valuation in accordance with the CapitaLand Ascott BT Trust Deed (as defined in the Trust Deed) at such time;

“**Consolidated Total Borrowings**” means an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (and where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation):

- (i) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months of the CapitaLand Ascott BT Group;
- (ii) the principal amount of the Notes or any bonds or debentures of any member of the CapitaLand Ascott BT Group whether issued for cash or a consideration other than cash;
- (iii) the liabilities of the Issuer under the Trust Deed or the Notes;
- (iv) all other indebtedness whatsoever of the CapitaLand Ascott BT Group for borrowed moneys; and
- (v) any redeemable preference shares or units issued by any member of the CapitaLand Ascott BT Group and which are regarded by generally accepted accounting principles in Singapore as debt or other liabilities of the CapitaLand Ascott BT Group (other than those shares or units which are regarded as equity as reflected in the most recently published consolidated balance sheet of the CapitaLand Ascott BT Group prepared in accordance with generally accepted accounting principles in Singapore);

“Permitted Security Interest” means a Security Interest over any present and future assets or revenues or any part thereof in connection with any asset-based financing (including, without limitation, a securitisation or project financing) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, without further recourse to the relevant obligor; and

“Relevant Indebtedness” means (1) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market and having an original tenure of more than one year; and (2) any guarantee or indemnity of any such indebtedness.

5. (I) Interest on Fixed Rate Notes

(a) Rate of Interest and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from (and including) the Interest Commencement Date (as defined in Condition 5(VII)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Rate of Interest shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(VII)) shown on the face of the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each Interest Payment Date, unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest (save for interest in respect of the final Interest Period (as defined below) which will be payable in arrear on the final Interest Payment Date) will be payable in arrear on the last business day of the Delay Period as set out in the relevant Pricing Supplement following each Interest Payment Date. Such Interest Payment Date(s) is/are either shown on the face of such Note as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown on the face of such Note, Interest Payment Date shall mean each date which (save as mentioned

in these Conditions) falls the number of months specified as the Interest Period on the face of the Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined below) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

(b) Business Day Convention

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(c) Rate of Interest – Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SORA (in which case such Note will be a **“SORA Note”**) or such other Benchmark as is set out on the face of such Note or (in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:
- (1) in the case of Floating Rate Notes which are SORA Notes, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Spread.

The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows:

- (A) If Compounded Daily SORA (“**Compounded Daily SORA**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Period shall be determined based on Compounded Daily SORA which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which Observation Method is specified in the applicable Pricing Supplement.

- (aa) where “Lockout” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards;

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**d_o**”, for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

“**i**”, for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

“**Interest Determination Date**” means the Singapore Business Day immediately following the Rate Cut-off Date, unless otherwise specified in the relevant Pricing Supplement;

“ n_i ”, for any Singapore Business Day “ i ”, is the number of calendar days from (and including) such Singapore Business Day “ i ” up to (but excluding) the following Singapore Business Day;

“ p ” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means, with respect to a Rate of Interest and Interest Period, the date falling “ p ” Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling “ p ” Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “ i ”;

“**SORA_i**” means, in respect of any Singapore Business Day “ i ” falling in the relevant Interest Period:

- I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and
- II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the “**Suspension Period SORA_i**”) (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA_i shall apply to each day falling in the relevant Suspension Period;

“**SORA Reset Date**” means, in relation to any Interest Period, each Singapore Business Day during such Interest Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Period; and

“Suspension Period” means, in relation to any Interest Period, the period from (and including) the date falling “*p*” Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Period.

- (bb) where “Lookback” is specified as the Observation Method in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_{i-p \text{ SBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“*d*” is the number of calendar days in the relevant Interest Period;

“*d_o*”, for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

“*i*”, for the relevant Interest Period, is a series of whole numbers from one to *d_o*, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

“*n_i*”, for any Singapore Business Day “*i*”, is the number of calendar days from (and including) such Singapore Business Day “*i*” up to (but excluding) the following Singapore Business Day;

“Observation Period” means, for the relevant Interest Period, the period from, and including, the date falling “*p*” Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling “*p*” Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling “*p*” Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Singapore Business Days**” or “**SBD**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “**i**”; and

“**SORA_{i - p SBD}**” means, in respect of any Singapore Business Day “**i**” falling in the relevant Interest Period, the reference rate equal to SORA in respect of the Singapore Business Day falling “**p**” Singapore Business Days prior to the relevant Singapore Business Day “**i**”.

(cc) where “Backward Shifted Observation Period” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Observation Period;

“**d_o**”, for any Interest Period, is the number of Singapore Business Days in the relevant Observation Period;

"I", for the relevant Interest Period, is a series of whole numbers from one to d_o , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"n_I", for any Singapore Business Day "I", is the number of calendar days from (and including) such Singapore Business Day "I" up to (but excluding) the following Singapore Business Day;

"Observation Period" means, for the relevant Interest Period, the period from, and including, the date falling "**p**" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "**p**" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "**p**" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"p" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"Singapore Business Days" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"SORA" means, in respect of any Singapore Business Day "I", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **"Relevant Screen Page"**) on the Singapore Business Day immediately following such Singapore Business Day "I"; and

"SORA_I" means, in respect of any Singapore Business Day "I" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(dd) where "Payment Delay" is specified as the Observation Method in the applicable Pricing Supplement:

"Compounded Daily SORA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest,

as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**d_o**”, for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

“**i**”, for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Interest Period provided that the Interest Determination Date with respect to the final Interest Period will be the date falling one Singapore Business Day after the Rate Cut-Off Date unless otherwise specified in the relevant Pricing Supplement;

“**n_i**”, for any day “**i**”, is the number of calendar days from (and including) such Singapore Business Day “**i**” up to (but excluding) the following Singapore Business Day;

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means the date that is “**p**” Singapore Business Days prior to the Maturity Date or the relevant redemption date, as applicable (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of

Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such day “*t*”; and

“**SORA_{*t*}**” means, in respect of any Singapore Business Day “*t*” falling in the relevant Interest Period, the reference rate equal to SORA in respect of that Singapore Business Day.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Period ending on the Maturity Date or the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such Rate Cut-Off Date.

- (B) If SORA Index Average (“**SORA Index Average**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Period shall be determined based on the SORA Index Average which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA Index_{End}}{SORA Index_{Start}} - 1 \right) \times \left(\frac{365}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

“**d_c**” means the number of calendar days from (and including) the SORA Index_{Start} to (but excluding) the SORA Index_{End};

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA Index**” means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

- (i) if a Benchmark Event has not occurred, the “SORA Index Average” shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SORA formula described above in Condition 5(II)(c)(ii)(1)(A)(cc), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Period that is used in the definition of SORA Index_{Start} as specified in the applicable Pricing Supplement; or

- (ii) if a Benchmark Event has occurred, the provisions set forth in Condition 5(VI) shall apply;

“SORA Index_{End}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the last date of the relevant Interest Period;

“SORA Index_{Start}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Period; and

“SORA Index Determination Time” means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

- (C) If, subject to Condition 5(VI), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day “*t*”, SORA in respect of such day “*t*” has not been published and a Benchmark Event has not occurred, then SORA for that day “*t*” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.
- (D) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(VI), the Rate of Interest shall be:
- I. that determined as at the last preceding Interest Determination Date or, as the case may be, Rate Cut-off Date (though substituting, where a different Spread (if any) or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
 - II. if there is no such preceding Interest Determination Date or, as the case may be, Rate Cut-off Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Spread or Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period (if any)).

If the relevant Series of Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable

SORA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (2) in the case of Floating Rate Notes which are not SORA Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
 - (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
 - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
 - (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,and as adjusted by the Spread (if any);
 - (B) if paragraph (c)(ii)(2)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (c)(ii)(2)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any);
 - (C) if paragraph (c)(ii)(2)(B) applies and fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date; and
 - (D) if the Rate of Interest for an Interest Period is unable to be determined in accordance with paragraphs (c)(ii)(2)(A) to (c)(ii)(2)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraphs (c)(ii)(2)(A), (c)(ii)(2)(B) or (c)(ii)(2)(C) above shall have applied.
- (iii) On the last day of each Interest Period, (except as otherwise specified in the applicable Pricing Supplement) the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero (subject to any applicable Minimum Rate of Interest), the Rate of Interest in relation to such Interest Period shall be equal to zero.

- (v) If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(c) is less than such Minimum Rate of Interest, the rate of Interest for such Interest Period shall be such Minimum Rate of Interest.
- (vi) If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(c) is more than such Maximum Rate of Interest, the rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Rate of Interest – Variable Rate Notes

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (d).
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (d)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, an Agreed Rate in respect of such Variable Rate Note for such Interest Period and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

- (1) notify the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SORA (in which case such Variable Rate Note(s) will be SORA Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(d)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(III) Interest on Hybrid Notes

(a) Rate of Interest and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Rate of Interest shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each Interest Payment Date, unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest (save for interest in respect of the final Interest Period which will be payable in arrear on the final Interest Payment Date) will be payable in arrear on the last business day of the Delay Period as specified in the relevant Pricing Supplement, following each Interest Payment Date. Such Interest Payment Date(s) is/are either shown on the face of such Note as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown on the face of such Note, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be).
- (ii) The provisions of Condition 5(II)(c) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(d) Business Day Convention

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;

- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as determined in accordance with Condition 6(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Period or calculate the Redemption Amount or Early Redemption Amount or make such determination or calculation, as the case may be. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(b) Accrual of Interest

Interest will cease to accrue on each Note from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Rate of Interest and in the manner provided in this Condition 5 to (but excluding) the Relevant Date (as defined in Condition 8).

(c) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar, the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way

of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(d) Failure to Determine or Calculate Rate of Interest

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period, the Issuer shall notify the Trustee and the Issuing and Paying Agent of this failure and as soon as reasonably practicable appoint an alternative Calculation Agent. In doing so, the alternative Calculation Agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall in its sole opinion deem fair and reasonable in all the circumstances. If the Issuer fails to so appoint, the Notes will, for the relevant Interest Period, bear interest at the rate in effect for the last preceding Interest Period to which Conditions 5(II) and 5(III)(c) above shall have applied and the Issuing and Paying Agent will determine the relevant Interest Amount.

(e) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note, in each case, that is not a SORA Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, if provision is made for them hereon and so long as any Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, Redemption Amount or Early Redemption Amount, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(VI) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 5(VI)(b)) and an Adjustment Spread, if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)) by no later than five Business Days prior to the relevant Interest Determination Date (or such other date as may be agreed between the Issuer and the Calculation Agent) (the **"IA Determination Cut-off Date"**). An Independent Adviser appointed pursuant to this Condition 5(VI) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it

or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(VI).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 5(VI)(b)) and an Adjustment Spread, if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)), provided that if the Issuer is unable to or does not determine the Benchmark Replacement by five business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the relevant current Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Spread or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant current Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 5(VI)(a).

(b) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) shall (subject to adjustments as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(VI)).

(c) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (A) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(d) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(VI)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent of a certificate signed by the duly authorised signatory of the Issuer pursuant to Condition 5(VI)(e), the Trustee and the Issuing and Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and the Agency Agreement), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(VI). Noteholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 5(VI)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(VI) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate addressed to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and signed by the duly authorised signatory of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Benchmark Replacement, (3) where applicable, any Adjustment Spread and/or (4) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(VI); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark

Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(VI)(a), 5(VI)(b), 5(VI)(c) and 5(VI)(d), the Original Reference Rate and the fallback provisions provided for in Condition 5, as applicable, will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(VI)(e).

(g) Definitions

As used in this Condition 5(VI):

"Adjustment Spread" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is required to be applied to the Benchmark Replacements to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or
- (2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes; or
- (4) if no such industry standard is recognised or acknowledged, the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines in accordance with Condition 5(VI)(b) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the local or international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to applicable government bonds) or, if the Independent Adviser or the Issuer determines that there is no such rate, such

other rate as the Independent Adviser or the Issuer (as the case may be) determines (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate;

“Benchmark Amendments” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is reasonably necessary);

“Benchmark Event” means one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) unless such cessation is reasonably expected by the Issuer to not occur prior to the Maturity Date; or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued, unless such cessation is reasonably expected by the Issuer to not occur prior to the Maturity Date; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months unless such cessation is reasonably expected by the Issuer to not occur prior to the Maturity Date; or
- (v) it has become unlawful for the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate; or
- (vi) a public statement by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur:

- (1) in the case of paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;
- (2) in the case of paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and
- (3) in the case of paragraph (vi) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

“Benchmark Replacement” means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be):

- (i) Identified SORA;
- (ii) the Successor Rate;
- (iii) the ISDA Fallback Rate; and
- (iv) the Alternative Rate;

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“Identified SORA” means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been (i) selected or recommended by the Relevant Nominating Body, or (ii) determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated notes;

“Independent Adviser” means an independent financial institution of good reputation or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 5(VI)(a);

“Interpolated Benchmark” with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (ii) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally published, endorsed, approved, recognised or recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenors.

(VII) Definitions

As used in these Conditions:

“Agreed Rate” means, in the case of any Variable Rate Note, the Rate of Interest in respect of that Variable Rate Note payable on the last day of an Interest Period relating to that Variable Rate Note;

“Agreed Yield” means, in the case of any Variable Rate Note, the interest payable in respect of that Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note;

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Note, (i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream and the Depository, as applicable, are operating, (ii) a day on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (a) (in the case of Notes denominated in Singapore dollars) a day on which banks and foreign exchange markets are open for general business in Singapore;
- (b) (in the case of Notes denominated in Euros) a day on which the T2 is open for settlement in Euros;
- (c) (in the case of Notes denominated in Renminbi) a day on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and
- (d) (in the case of Notes denominated in a currency other than Singapore dollars, Euros and Renminbi) a day on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown in the terms thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (a) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;
- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; and
- (d) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

“**Euro**” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Interest Amount**” means, in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of the relevant Note;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Offshore Renminbi Centre**” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“**Primary Source**” means (a) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent or (b) the Reference Banks, as the case may be;

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“**Reference Banks**” means the institutions specified as such on the face of the relevant Note or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

“**Relevant Currency**” means the currency in which the Notes are denominated;

“Relevant Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Renminbi” means the lawful currency of the People’s Republic of China;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters and Bloomberg agency) as may be specified on the face of the Note for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount on the Maturity Date shown in its terms (if the Note is shown in its terms to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown in its terms (if the Note is shown in its terms to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided on the face of such Notes, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount together with interest accrued thereon to the date fixed for purchase on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer’s Purchase Option Period shown on the face of such Notes. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to

vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount together with interest accrued thereon to the date fixed for purchase on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any paying agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face of such Notes. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.
- (ii) If so provided on the face of such Notes, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount together with interest accrued thereon to the date fixed for purchase on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face of such Notes. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note

(together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided on the face of such Notes, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face of such Notes, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

- (i) If so provided on the face of such Notes, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar, the Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face of such Note. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.
- (ii) In the event that (1) (A) (for so long as the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are Stapled) the Stapled Units or (B) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott BT Units cease to be listed and/or traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") or (2) trading in the Stapled Units or, as the case may be, the CapitaLand Ascott BT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption on the date (or, if such date is not a business day, on the immediately preceding business day) falling

45 days after the Effective Date. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed Exercise Notice in the form obtainable from the Issuing and Paying Agent, the Registrar or any other Transfer Agent (as applicable), no later than 30 days after the Effective Date. The Issuer shall, within seven days after the Effective Date, notify the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 6(e)(ii) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(e)(ii):

- (aa) **“CapitaLand Ascott REIT Units”, “CapitaLand Ascott BT Units”, “Stapled” and “Stapled Units”** bear the same meanings as ascribed to them in the Trust Deed;
- (bb) **“Effective Date”** means (in the case of (1) above) the date of cessation of listing and/or trading or (in the case of (2) above) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (cc) **“market day”** means a day on which the SGX-ST is open for securities trading.

(f) Redemption for Taxation Reasons

If so provided on the face of such Notes, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified on the face of the Note, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by a duly authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment. The Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

(g) Purchases

The Issuer and/or any of the related corporations of CapitaLand Ascott BT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of CapitaLand Ascott BT shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer and/or any of the related corporations of CapitaLand Ascott BT may be surrendered by the purchaser to the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified on the face of such Note.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown on the face of such Note, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(i) Mandatory Redemption upon Termination of CapitaLand Ascott BT

In the event that CapitaLand Ascott BT is or is to be terminated in accordance with the provisions of the CapitaLand Ascott BT Trust Deed, the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of CapitaLand Ascott BT.

The Issuer shall forthwith notify the Trustee, the Issuing and Paying Agent, the Registrar, the Transfer Agent and the Noteholders of the termination of CapitaLand Ascott BT and the proposed date of redemption of the Notes.

(j) Mandatory Redemption upon Change of Issuer

In the event that there is to be a substitution in place of CapitaLand Ascott Business Trust Management Pte. Ltd. ("**CABTMPL**") as the principal debtor of the Notes, the Coupons and the Trust Deed, and the approval of the Noteholders for the Change of Issuer Event has not been obtained, the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount, together with interest accrued to the date fixed for redemption, not later than the COI Redemption Date.

The Issuer shall forthwith notify the Trustee, the Issuing and Paying Agent, the Registrar, the Transfer Agent and the Noteholders its intention whether to convene a meeting of the Noteholders to approve the Change of Issuer Event, and if there is no such intention, of the Redemption Amount of the Notes and the COI Redemption Date ("**COI Notification**").

For the purposes of this Condition 6(j):

"**Change of Issuer Event**" means the substitution in place of CapitaLand Ascott Business Trust Management as the principal debtor of the Notes, the Coupons and the Trust Deed; and

"**COI Redemption Date**" means the date falling at least 30 days from (i) (in the case where a meeting of the Noteholders has been convened to approve the Change of Issuer Event and such approval has not been obtained) the date of such meeting (or if adjourned, the date of such adjourned meeting) or (ii) (in the case where no such meeting has been convened) the date of the COI Notification, and in any event in the case of (i) and (ii) above, no later than the effective date of the Change of Issuer Event.

For the avoidance of doubt, this Condition 6(j) shall not apply if, at least five business days before the COI Redemption Date, the Issuer delivers to the Trustee a certificate confirming that the Change of Issuer Event will no longer occur. Any notice of redemption of the Notes from the Issuer shall be given no later than 15 business days prior to the COI Redemption Date.

(k) Redemption in the case of Minimum Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(I) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of the related corporations of CapitaLand Ascott BT may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or, as the case may be, Coupons:

- (i) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
- (ii) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Interest in respect of Registered Notes

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
 - (1) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
 - (2) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any

official interpretations thereof, or any law, regulation or directive implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents, transfer agents or registrars, provided that it will at all times maintain an Issuing and Paying Agent, a Calculation Agent, a Transfer Agent in relation to Registered Notes and a Registrar in relation to Registered Notes.

Notice of any such change or any change of any specified office will be promptly given to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by, *inter alios*, the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which, *inter alios*, the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of, *inter alios*, the Issuer and the Trustee, adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Notes comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of Notes other than Variable Rate Notes and Zero Coupon Notes) the Rate of Interest applicable to such Note, (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore, otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirements or by making or procuring the making of a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment.

Notwithstanding any other provisions of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs, the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay the principal of, or Redemption Amount (whether becoming due upon redemption or otherwise) or (in the case of Zero Coupon Notes) the Early Redemption Amount on, or any interest on, any Notes of any Series when due and such default continues for a period exceeding seven days;
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a) above) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not remedied within 30 days after the date on which the notice is given by the Trustee to the Issuer requiring the same to be remedied;
- (c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any material respect or is or proves to have been incorrect in any material respect when made or deemed repeated and if the event resulting in such non-compliance or incorrectness is, in the opinion of the Trustee, capable of remedy, it is not remedied within 30 days after the date on which the notice is given by the Trustee to the Issuer requiring the same to be remedied;
- (d)
 - (i) any other indebtedness of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries in respect of borrowed moneys (1) is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) and, in the case of any default which results in any borrowed money being capable of being rendered due and payable, such default is not remedied within any grace period originally applicable thereto or extended or granted by way of agreement between the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries (as the case may be) and the relevant creditor or (2) is not paid when due within any applicable grace period; or
 - (ii) the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries fails to pay within 15 days after being properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (d) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S\$25,000,000 or its equivalent in other currency or currencies;

- (e) the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness (other than those contested in good faith and by appropriate proceedings), takes any proceeding under any law for a deferral, rescheduling or other readjustment of all or a material part of its indebtedness with its creditors generally (or any class of its creditors in respect of a material part of its indebtedness which it will, or might otherwise, be unable to pay when due), applies for a moratorium in respect of or affecting all or a material part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally (or any class of its creditors in respect of a material part of its indebtedness) or a moratorium is agreed, declared or otherwise (by operation of law) arises in respect of or affecting all or a material part of the indebtedness of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;
- (g) any security on or over the whole or a material part of the assets of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries becomes enforceable;
- (h)
 - (i) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed for the winding-up, amalgamation, reconstruction, reorganisation, merger, consolidation or termination of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries (except for an amalgamation, reconstruction, reorganisation, merger or consolidation where such event is either (1) not likely to have a material adverse effect on the Issuer or (2) on terms approved before such event by the Trustee or the Noteholders by way of Extraordinary Resolution) or for the appointment of a liquidator (including a provisional liquidator), judicial manager, trustee, administrator, agent or similar officer (in each case, including any provisional, interim or temporary officer or appointee) of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries or over any part of the assets of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries; or
 - (ii) any step is taken by any person for the appointment of a receiver of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries or over any material part of the assets of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries;
- (i) the Issuer or CapitaLand Ascott BT shall cease or threaten to cease to carry on its Authorised Business (as defined in the Trust Deed);
- (j) any condemnation, seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer, CapitaLand Ascott BT or any of the Principal Subsidiaries occurs and such condemnation, seizure, compulsory acquisition, expropriation or nationalisation will have a material adverse effect on the Issuer;

- (k) any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of the Issue Documents or the Notes on behalf of the Issuer or the performance of the Issuer's obligations under the Notes is withdrawn or modified or otherwise ceases to be in full force and effect;
- (l) it is or will become unlawful for the Issuer to observe, perform or comply with, or the Issuer contests the validity or enforceability of or repudiates, any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (m) (i) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms; or
 - (ii) any applicable law, directive, order or judgment is enacted, promulgated or entered, the effect of which would be to render any Issue Document to which the Issuer is a party unenforceable;
- (n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature) is current or pending against the Issuer or CapitaLand Ascott BT (i) to restrain the entry into, exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents to which it is a party or any of the Notes or (ii) which will have a material adverse effect on the Issuer;
- (o) (i) (1) CABTMPL resigns or is removed, (2) an order is made for the winding-up of CABTMPL, a receiver, judicial manager, administrator, agent or similar officer of CABTMPL is appointed, and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of CABTMPL which prevents or restricts the ability of the Issuer to perform its obligations under any of the Notes, the Issue Documents to which it is a party and (ii) the replacement or substitute trustee-manager of CapitaLand Ascott BT is not appointed in accordance with the terms of the CapitaLand Ascott BT Trust Deed;
- (p) the CapitaLand Ascott BT Trustee-Manager loses its right to be indemnified out of the assets of CapitaLand Ascott BT in respect of any liability, claim, demand or action under or in connection with any of the Issue Documents or the Notes and, if in the opinion of the Trustee such loss of right is capable of remedy, it is not remedied within 21 days after the date on which the notice is given by the Trustee to the Issuer requiring the same to be remedied;
- (q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); or
- (r) the Issuer or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part 9 of the Companies Act 1967 of Singapore.

For the purposes of these Conditions:

- (A) **“Principal Subsidiaries”** means any subsidiary of CapitaLand Ascott BT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the CapitaLand Ascott BT Group have been prepared, is at least 10 per cent. of the total assets of the CapitaLand Ascott BT Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or CapitaLand Ascott BT (the **“transferee”**) then:
- (I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott BT) shall thereupon become a Principal Subsidiary; and
 - (II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott BT) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (aa) the first audited consolidated accounts of the CapitaLand Ascott BT Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets of the CapitaLand Ascott BT Group, as shown by such audited consolidated accounts and (bb) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 10 per cent. of the total assets of the CapitaLand Ascott BT Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

- (B) **“subsidiary”** has the meaning ascribed to it in the Trust Deed.

11. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified on the face of the Note may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is to cure any ambiguity or of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the related corporations of CapitaLand Ascott BT without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified,

notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where CapitaLand Ascott BT is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 16. In the case where notices to holders of Notes are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above.

Until such time as any Definitive Notes (as defined in the Trust Deed) or Certificate(s) are issued, there may, so long as the Global Note(s) or Global Certificate(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, the Depository and/or any other clearing system, be substituted for such publication in such newspapers, such mailing or announcement on the SGX-ST, the delivery of the relevant notice to Euroclear, Clearstream, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Acknowledgement

(a) Capacity

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed and acknowledged that CABTMPL has entered into the Trust Deed solely in its capacity as trustee-manager of CapitaLand Ascott BT and not in CABTMPL's personal capacity and all references to the "Issuer" shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, CABTMPL has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee-manager of CapitaLand Ascott BT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by CABTMPL under the Trust Deed, the Notes and the Coupons, is given or to be given by

CABTMPL only in its capacity as trustee-manager of CapitaLand Ascott BT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes and the Coupons is limited to the assets of CapitaLand Ascott BT over which CABTMPL in its capacity as trustee-manager of CapitaLand Ascott BT has recourse and shall not extend to any personal or other assets of CABTMPL or any assets held by CABTMPL in its capacity as trustee-manager of any other trust (other than CapitaLand Ascott BT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by CABTMPL under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to CapitaLand Ascott BT (and shall not extend to CABTMPL's obligations in respect of any other trust of which it is a trustee-manager). The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Noteholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of CABTMPL.

(b) No Recourse

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby acknowledged and agreed that CABTMPL's obligations under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of CABTMPL and there shall be no recourse against the shareholders, directors, officers or employees of CABTMPL for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Noteholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of CABTMPL.

(c) Legal Action or Proceedings

For the avoidance of doubt, any legal action or proceedings commenced against CABTMPL whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against CABTMPL in its capacity as trustee of CapitaLand Ascott BT and not in its personal capacity. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Noteholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of CABTMPL.

(d) Survival of Provisions

This Condition shall survive the termination or rescission of the Trust Deed and the redemption or cancellation of the Notes and/or any Coupons and shall apply, *mutatis mutandis*, to any notice, certificate or other document which CABTMPL issues under or pursuant to the Trust Deed and the Notes as if expressly set out therein.

18. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee, the Noteholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) No immunity

The Issuer irrevocably agrees that, should the Trustee take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that it and its assets and CapitaLand Ascott BT and CapitaLand Ascott BT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed.

19. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg

TERMS AND CONDITIONS OF THE CAPITALAND ASCOTT REIT NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a trust deed dated 9 September 2009 made between (1) Ascott REIT MTN Pte. Ltd. (“**ARMPL**”), as issuer, (2) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) (“**CapitaLand Ascott REIT**”)) (the “**CapitaLand Ascott REIT Trustee**”), as guarantor, and (3) The Bank of New York Mellon, as trustee for the Noteholders (as defined below) (as amended and restated by an amendment and restatement trust deed dated 9 July 2020 made between (1) ARMPL, DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (each, an “**Issuer**” and together, the “**Issuers**”) and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (in its capacity as trustee-manager of CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) (“**CapitaLand Ascott BT**”)) (the “**CapitaLand Ascott BT Trustee-Manager**”), as issuers, (2) the CapitaLand Ascott REIT Trustee, in its capacity as guarantor for Notes (as defined in the Trust Deed) issued by ARMPL (the “**Guarantor**”), and (3) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as amended and restated by a second amendment and restatement trust deed dated 4 July 2024 made between the same parties, and as further amended, restated and supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 9 September 2009 (as supplemented by the supplemental deed of covenant dated 9 July 2020 and the second supplemental deed of covenant dated 4 July 2024 and as further amended and supplemented from time to time, the “**ARMPL Deed of Covenant**”) executed by ARMPL, relating to CDP Notes (as defined in the Trust Deed) issued by ARMPL or, as the case may be, a deed of covenant dated 9 July 2020 (as supplemented by the supplemental deed of covenant dated 4 July 2024 and as further amended and supplemented from time to time, the “**CapitaLand Ascott REIT Deed of Covenant**” and, together with the ARMPL Deed of Covenant, the “**Deeds of Covenant**”) executed by the CapitaLand Ascott REIT Trustee, relating to CDP Notes issued by the CapitaLand Ascott REIT Trustee. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. ARMPL and the Guarantor have entered into an agency agreement dated 9 September 2009 made between (1) ARMPL, (2) the Guarantor, (3) The Bank of New York Mellon, as issuing and paying agent and agent bank, and (4) The Bank of New York Mellon, as trustee (as amended and restated by an amendment and restatement agency agreement dated 9 July 2020 made between (1) ARMPL, the CapitaLand Ascott REIT Trustee and the CapitaLand Ascott BT Trustee-Manager, (2) the Guarantor, (3) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Notes (in such capacity, the “**CDP Issuing and Paying Agent**”), transfer agent in respect of CDP Notes (in such capacity, the “**CDP Transfer Agent**”), registrar in respect of CDP Notes (in such capacity, the “**CDP Registrar**”) and calculation agent in respect of CDP Notes (in such capacity, the “**CDP Calculation Agent**”), (4) The Bank of New York Mellon, London

Branch, as issuing and paying agent in respect of Notes cleared or to be cleared through Euroclear (as defined below) and/or Clearstream (as defined below) (“**Non-CDP Notes**”) (in such capacity, the “**Non-CDP Issuing and Paying Agent**” and, together with the CDP Issuing and Paying Agent and any other issuing and paying agents that may be appointed, the “**Issuing and Paying Agents**” and the Issuing and Paying Agents together with any other paying agents, the “**Paying Agents**”) and as calculation agent in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Calculation Agent**” and, together with the CDP Calculation Agent, the “**Calculation Agents**”), (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Transfer Agent**” and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the “**Transfer Agents**”) and registrar in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Registrar**” and, together with the CDP Registrar, the “**Registrars**”), and (6) the Trustee, as trustee, as amended and restated by a second amendment and restatement agency agreement dated 4 July 2024 made between the same parties, and as further amended, restated or supplemented from time to time, the “**Agency Agreement**”). The Noteholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the relevant Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Calculation Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Calculation Agent, (c) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar, and (d) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deeds of Covenant are available for inspection at the specified office of the Trustee for the time being and at the respective specified offices of the Issuing and Paying Agents for the time being upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown on the face of the Note. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown in its terms).

- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear and/or Clearstream, the Depository and/or such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the relevant Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the relevant Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, the Depository and/or such other clearing system. For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of Notes shall, unless otherwise

specified by the relevant Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name the relevant Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the relevant Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuers, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar, at the cost and expense of the relevant Issuer, to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes

In the case of an exercise of an Issuer's or a Noteholder's option in respect of, or a partial redemption of or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, the Registrar or the Transfer Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Noteholder of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the relevant Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status and Guarantee

(a) Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the relevant Issuer.

(b) Guarantee

The payment of all sums expressed to be payable by ARMPL under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

4. Negative Pledge

(a) (In the case where ARMPL or the CapitaLand Ascott REIT Trustee is the Issuer) the relevant Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), other than a Permitted Security Interest (as defined below), upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the relevant Issuer or (where the CapitaLand Ascott REIT Trustee is the Issuer) the Principal Subsidiaries (as defined in Condition 10), to secure any Relevant Indebtedness (as defined below) unless the relevant Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with any such Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

(b) (In the case where the CapitaLand Ascott REIT Trustee is the Guarantor) the Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the Guarantor or any of the Principal Subsidiaries, to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with any such Relevant Indebtedness; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is approved by an Extraordinary Resolution of the Noteholders.

For the purpose of these Conditions:

“Permitted Security Interest” means a Security Interest over any present and future assets or revenues or any part thereof in connection with any asset-based financing (including, without limitation, a securitisation or project financing) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, without further recourse to the relevant obligor; and

“Relevant Indebtedness” means (1) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market and having an original tenure of more than one year; and (2) any guarantee or indemnity of any such indebtedness.

5. (I) Interest on Fixed Rate Notes

(a) Rate of Interest and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from (and including) the Interest Commencement Date (as defined in Condition 5(VII)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Rate of Interest shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(VII)) shown on the face of the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each Interest Payment Date, unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest (save for interest in respect of the final Interest

Period (as defined below) which will be payable in arrear on the final Interest Payment Date) will be payable in arrear on the last business day of the Delay Period as set out in the relevant Pricing Supplement following each Interest Payment Date. Such Interest Payment Date(s) is/are either shown on the face of such Note as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown on the face of such Note, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined below) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

(b) Business Day Convention

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(c) Rate of Interest – Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SORA (in which case such Note will be a **“SORA Note”**) or such other Benchmark as is set out on the face of such Note or (in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:
- (1) in the case of Floating Rate Notes which are SORA Notes, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Spread.

The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows:

- (A) If Compounded Daily SORA (“**Compounded Daily SORA**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Period shall be determined based on Compounded Daily SORA which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which Observation Method is specified in the applicable Pricing Supplement.

- (aa) where “Lockout” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards;

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**d_o**”, for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

“**i**”, for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

“Interest Determination Date” means the Singapore Business Day immediately following the Rate Cut-off Date, unless otherwise specified in the relevant Pricing Supplement;

“ n_i ”, for any Singapore Business Day “ i ”, is the number of calendar days from (and including) such Singapore Business Day “ i ” up to (but excluding) the following Singapore Business Day;

“ p ” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“Rate Cut-Off Date” means, with respect to a Rate of Interest and Interest Period, the date falling “ p ” Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling “ p ” Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

“Singapore Business Days” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **“Relevant Screen Page”**) on the Singapore Business Day immediately following such Singapore Business Day “ i ”;

“SORA _{i} ” means, in respect of any Singapore Business Day “ i ” falling in the relevant Interest Period:

- I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and
- II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the **“Suspension Period SORA _{i} ”**) (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA _{i} shall apply to each day falling in the relevant Suspension Period;

“SORA Reset Date” means, in relation to any Interest Period, each Singapore Business Day during such Interest Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Period; and

“Suspension Period” means, in relation to any Interest Period, the period from (and including) the date falling “*p*” Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Period.

- (bb) where “Lookback” is specified as the Observation Method in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_{i-p \text{ SBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“*d*” is the number of calendar days in the relevant Interest Period;

“*d_o*”, for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

“*i*”, for the relevant Interest Period, is a series of whole numbers from one to *d_o*, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

“*n_i*”, for any Singapore Business Day “*i*”, is the number of calendar days from (and including) such Singapore Business Day “*i*” up to (but excluding) the following Singapore Business Day;

“Observation Period” means, for the relevant Interest Period, the period from, and including, the date falling “*p*” Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling “*p*” Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling “*p*” Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Singapore Business Days**” or “**SBD**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “**i**”; and

“**SORA_{i - p SBD}**” means, in respect of any Singapore Business Day “**i**” falling in the relevant Interest Period, the reference rate equal to SORA in respect of the Singapore Business Day falling “**p**” Singapore Business Days prior to the relevant Singapore Business Day “**i**”.

(cc) where “Backward Shifted Observation Period” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Observation Period;

“**d_o**”, for any Interest Period, is the number of Singapore Business Days in the relevant Observation Period;

"*I*", for the relevant Interest Period, is a series of whole numbers from one to d_o , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

" n_i ", for any Singapore Business Day "*i*", is the number of calendar days from (and including) such Singapore Business Day "*i*" up to (but excluding) the following Singapore Business Day;

"Observation Period" means, for the relevant Interest Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"*p*" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"Singapore Business Days" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"SORA" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **"Relevant Screen Page"**) on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

"SORA_{*i*}" means, in respect of any Singapore Business Day "*i*" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(dd) where "Payment Delay" is specified as the Observation Method in the applicable Pricing Supplement:

"Compounded Daily SORA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest,

as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**d_o**”, for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

“**i**”, for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Interest Period provided that the Interest Determination Date with respect to the final Interest Period will be the date falling one Singapore Business Day after the Rate Cut-Off Date unless otherwise specified in the relevant Pricing Supplement;

“**n_i**”, for any day “**i**”, is the number of calendar days from (and including) such Singapore Business Day “**i**” up to (but excluding) the following Singapore Business Day;

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means the date that is “**p**” Singapore Business Days prior to the Maturity Date or the relevant redemption date, as applicable (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such day “**i**”; and

“**SORA_i**” means, in respect of any Singapore Business Day “*i*” falling in the relevant Interest Period, the reference rate equal to SORA in respect of that Singapore Business Day.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Period ending on the Maturity Date or the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such Rate Cut-Off Date.

- (B) If SORA Index Average (“**SORA Index Average**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Period shall be determined based on the SORA Index Average which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA Index_{End}}{SORA Index_{Start}} - 1 \right) \times \left(\frac{365}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

“**d_c**” means the number of calendar days from (and including) the SORA Index_{Start} to (but excluding) the SORA Index_{End};

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA Index**” means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

- (i) if a Benchmark Event has not occurred, the “SORA Index Average” shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SORA formula described above in Condition 5(II)(c)(ii)(1)(A)(cc), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Period that is used in the definition of SORA Index_{Start} as specified in the applicable Pricing Supplement; or
- (ii) if a Benchmark Event has occurred, the provisions set forth in Condition 5(VI) shall apply;

“SORA Index_{End}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the last date of the relevant Interest Period;

“SORA Index_{Start}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Period; and

“SORA Index Determination Time” means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

- (C) If, subject to Condition 5(VI), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day “*t*”, SORA in respect of such day “*t*” has not been published and a Benchmark Event has not occurred, then SORA for that day “*t*” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.
- (D) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(VI), the Rate of Interest shall be:
 - I. that determined as at the last preceding Interest Determination Date or, as the case may be, Rate Cut-off Date (though substituting, where a different Spread (if any) or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
 - II. if there is no such preceding Interest Determination Date or, as the case may be, Rate Cut-off Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Spread or Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period (if any)).

If the relevant Series of Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (2) in the case of Floating Rate Notes which are not SORA Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,
- and as adjusted by the Spread (if any);
- (B) if paragraph (c)(ii)(2)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (c)(ii)(2)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any);
- (C) if paragraph (c)(ii)(2)(B) applies and fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date; and
- (D) if the Rate of Interest for an Interest Period is unable to be determined in accordance with paragraphs (c)(ii)(2)(A) to (c)(ii)(2)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraphs (c)(ii)(2)(A), (c)(ii)(2)(B) or (c)(ii)(2)(C) above shall have applied.
- (iii) On the last day of each Interest Period, (except as otherwise specified in the applicable Pricing Supplement) the relevant Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero (subject to any applicable Minimum Rate of Interest), the Rate of Interest in relation to such Interest Period shall be equal to zero.
- (v) If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(c) is less than such Minimum Rate of Interest, the rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

- (vi) If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(c) is more than such Maximum Rate of Interest, the rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Rate of Interest – Variable Rate Notes

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (d).
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (d)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the relevant Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the relevant Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the relevant Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the relevant Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, an Agreed Rate in respect of such Variable Rate Note for such Interest Period and, in the event of the relevant Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the relevant Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The relevant Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

- (1) notify (where the relevant Issuer is ARMPL) the Guarantor, the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SORA (in which case such Variable Rate Note(s) will be SORA Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(d)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(III) Interest on Hybrid Notes

(a) Rate of Interest and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Rate of Interest

shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each Interest Payment Date, unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest (save for interest in respect of the final Interest Period which will be payable in arrear on the final Interest Payment Date) will be payable in arrear on the last business day of the Delay Period as specified in the relevant Pricing Supplement, following each Interest Payment Date. Such Interest Payment Date(s) is/are either shown on the face of such Note as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown on the face of such Note, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be).
- (ii) The provisions of Condition 5(II)(c) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(d) Business Day Convention

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;

- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as determined in accordance with Condition 6(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Period or calculate the Redemption Amount or Early Redemption Amount or make such determination or calculation, as the case may be. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(b) Accrual of Interest

Interest will cease to accrue on each Note from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Rate of Interest and in the manner provided in this Condition 5 to (but excluding) the Relevant Date (as defined in Condition 8).

(c) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar, the relevant Issuer and (where the relevant Issuer is ARMPL) the Guarantor as soon as practicable after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest

Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(d) Failure to Determine or Calculate Rate of Interest

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period, the relevant Issuer shall notify the Trustee and the Issuing and Paying Agent of this failure and as soon as reasonably practicable appoint an alternative Calculation Agent. In doing so, the alternative Calculation Agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall in its sole opinion deem fair and reasonable in all the circumstances. If the relevant Issuer fails to so appoint, the Notes will, for the relevant Interest Period, bear interest at the rate in effect for the last preceding Interest Period to which Conditions 5(II) and 5(III)(c) above shall have applied and the Issuing and Paying Agent will determine the relevant Interest Amount.

(e) Calculation Agent and Reference Banks

The relevant Issuer and (where the relevant Issuer is ARMPL) the Guarantor will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note, in each case, that is not a SORA Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, if provision is made for them hereon and so long as any Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, Redemption Amount or Early Redemption Amount, the relevant Issuer and (where the relevant Issuer is ARMPL) the Guarantor will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(VI) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the relevant Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 5(VI)(b)) and an Adjustment Spread, if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)) by no later than five Business Days prior to the relevant Interest Determination Date (or such other date as may be agreed between the relevant Issuer and the Calculation

Agent) (the “**IA Determination Cut-off Date**”). An Independent Adviser appointed pursuant to this Condition 5(VI) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the relevant Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the relevant Issuer in connection with any determination made by the relevant Issuer, pursuant to this Condition 5(VI).

If the relevant Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the IA Determination Cut-off Date, the relevant Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 5(VI)(b)) and an Adjustment Spread, if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)), provided that if the relevant Issuer is unable to or does not determine the Benchmark Replacement by five business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the relevant current Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Spread or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant current Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 5(VI)(a).

(b) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) shall (subject to adjustments as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(VI)).

(c) Adjustment Spread

If the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (A) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(d) Benchmark Amendments

If the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 5(VI)(e), without any requirement for the consent or approval of Noteholders, vary these

Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the relevant Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent of a certificate signed by the duly authorised signatory(ies) of the relevant Issuer pursuant to Condition 5(VI)(e), the Trustee and the Issuing and Paying Agent shall (at the expense of the relevant Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and the Agency Agreement), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the relevant Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(VI). Noteholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 5(VI)(d), the relevant Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(VI) will be notified promptly by the relevant Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate addressed to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and signed by the duly authorised signatory(ies) of the relevant Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Benchmark Replacement, (3) where applicable, any Adjustment Spread and/or (4) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(VI); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, the Trustee, the Calculation Agent, the Issuing and Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the relevant Issuer under Conditions 5(VI)(a), 5(VI)(b), 5(VI)(c) and 5(VI)(d), the Original Reference Rate and the fallback provisions provided for in Condition 5, as applicable, will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(VI)(e).

(g) Definitions

As used in this Condition 5(VI):

"Adjustment Spread" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is required to be applied to the Benchmark Replacements to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or
- (2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (3) is determined by the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes; or
- (4) if no such industry standard is recognised or acknowledged, the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines in accordance with Condition 5(VI)(b) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the local or international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to applicable government bonds) or, if the Independent Adviser or the Issuer determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as the case may be) determines (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate;

“Benchmark Amendments” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is reasonably necessary);

“Benchmark Event” means one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) unless such cessation is reasonably expected by the relevant Issuer to not occur prior to the Maturity Date; or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued, unless such cessation is reasonably expected by the relevant Issuer to not occur prior to the Maturity Date; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months unless such cessation is reasonably expected by the relevant Issuer to not occur prior to the Maturity Date; or

- (v) it has become unlawful for the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate; or
- (vi) a public statement by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur:

- (1) in the case of paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;
- (2) in the case of paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and
- (3) in the case of paragraph (vi) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

“Benchmark Replacement” means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be):

- (i) Identified SORA;
- (ii) the Successor Rate;
- (iii) the ISDA Fallback Rate; and
- (iv) the Alternative Rate;

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“Identified SORA” means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been (i) selected or recommended by the Relevant Nominating Body, or (ii) determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated notes;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the cost of the relevant Issuer under Condition 5(VI)(a);

“Interpolated Benchmark” with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (ii) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally published, endorsed, approved, recognised or recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenors.

(VII) Definitions

As used in these Conditions:

“Agreed Rate” means, in the case of any Variable Rate Note, the Rate of Interest in respect of that Variable Rate Note payable on the last day of an Interest Period relating to that Variable Rate Note;

“Agreed Yield” means, in the case of any Variable Rate Note, the interest payable in respect of that Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note;

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Note, (i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream and the Depository, as applicable, are operating, (ii) a day on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (a) (in the case of Notes denominated in Singapore dollars) a day on which banks and foreign exchange markets are open for general business in Singapore;
- (b) (in the case of Notes denominated in Euros) a day on which the T2 is open for settlement in Euros;
- (c) (in the case of Notes denominated in Renminbi) a day on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and
- (d) (in the case of Notes denominated in a currency other than Singapore dollars, Euros and Renminbi) a day on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown in the terms thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (a) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; and
- (d) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

“**Euro**” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Interest Amount**” means, in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of the relevant Note;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Offshore Renminbi Centre**” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“**Primary Source**” means (a) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent or (b) the Reference Banks, as the case may be;

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“Reference Banks” means the institutions specified as such on the face of the relevant Note or, if none, three major banks selected by the relevant Issuer in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Notes are denominated;

“Relevant Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the relevant Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Renminbi” means the lawful currency of the People’s Republic of China;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters and Bloomberg agency) as may be specified on the face of the Note for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount on the Maturity Date shown in its terms (if the Note is shown in its terms to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown in its terms (if the Note is shown in its terms to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided on the face of such Notes, the relevant Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount together with interest accrued thereon to the date fixed for purchase on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the relevant Issuer accordingly. To exercise such option, the relevant Issuer shall give irrevocable notice to the Noteholders within the relevant Issuer's Purchase Option Period shown on the face of such Notes. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the relevant Issuer in such place and in such manner as may be agreed between the relevant Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the relevant Issuer at their Redemption Amount together with interest accrued thereon to the date fixed for purchase on any Interest Payment Date and the relevant Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any paying agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face of such Notes. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.
- (ii) If so provided on the face of such Notes, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the relevant Issuer at their Redemption Amount together with interest accrued thereon to the date fixed for purchase on any date on which interest is due to be paid on such Notes and the relevant Issuer will purchase such Notes accordingly. To exercise such

option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face of such Notes. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided on the face of such Notes, the relevant Issuer may, on giving irrevocable notice to the Noteholders falling within the relevant Issuer's Redemption Option Period shown on the face of such Notes, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the relevant Issuer in such place and in such manner as may be agreed between the relevant Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

- (i) If so provided on the face of such Notes, the relevant Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar, the Transfer Agent or the relevant Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face of such Note. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

- (ii) In the event that (1) (A) (for so long as the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are Stapled) the Stapled Units or (B) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott REIT Units cease to be listed and/or traded on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) or (2) trading in the Stapled Units or, as the case may be, the CapitaLand Ascott REIT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days, the relevant Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption on the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed Exercise Notice in the form obtainable from the Issuing and Paying Agent, the Registrar or any other Transfer Agent (as applicable), no later than 30 days after the Effective Date. The relevant Issuer shall, within seven days after the Effective Date, notify the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 6(e)(ii) (provided that any failure by the relevant Issuer to give such notice shall not prejudice any Noteholder of such option). Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

For the purposes of this Condition 6(e)(ii):

- (aa) “**CapitaLand Ascott REIT Units**”, “**CapitaLand Ascott BT Units**”, “**Stapled**” and “**Stapled Units**” bear the same meanings as ascribed to them in the Trust Deed;
- (bb) “**Effective Date**” means (in the case of (1) above) the date of cessation of listing and/or trading or (in the case of (2) above) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (cc) “**market day**” means a day on which the SGX-ST is open for securities trading.

(f) Redemption for Taxation Reasons

If so provided on the face of such Notes, the Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified on the face of the Note, at any time on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or, if the Guarantee was called, the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 in excess of the additional amounts that it would have otherwise paid as at the Issue Date, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall

be given earlier than 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the Trustee and the Issuing and Paying Agent (where the relevant Issuer is ARMPL) a certificate signed by a duly authorised signatory of ARMPL and a certificate signed by the duly authorised signatory(ies) of the Guarantor and (where the relevant Issuer is the CapitaLand Ascott REIT Trustee) a certificate signed by the duly authorised signatory(ies) of the CapitaLand Ascott REIT Trustee stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment. The Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

(g) Purchases

The relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor and/or any of the respective related corporations of ARMPL and CapitaLand Ascott REIT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor and/or any of the respective related corporations of ARMPL and CapitaLand Ascott REIT shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor and/or any of the respective related corporations of ARMPL or CapitaLand Ascott REIT may be surrendered by the purchaser to the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified on the face of such Note.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown on the face of such Note, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(i) Mandatory Redemption upon Termination of CapitaLand Ascott REIT

In the event that CapitaLand Ascott REIT is or is to be terminated in accordance with the provisions of the CapitaLand Ascott REIT Trust Deed (as defined in the Trust Deed), the relevant Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of CapitaLand Ascott REIT.

The relevant Issuer shall forthwith notify the Trustee, the Issuing and Paying Agent, the Registrar, the Transfer Agent and the Noteholders of the termination of CapitaLand Ascott REIT and the proposed date of redemption of the Notes.

(j) Redemption in the case of Minimum Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(k) Cancellation

All Notes purchased by or on behalf of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor and/or any of the respective related corporations of ARMPL and CapitaLand Ascott REIT may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the relevant Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or, as the case may be, Coupons:

- (i) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
- (ii) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Interest in respect of Registered Notes

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
 - (1) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
 - (2) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law, regulation or directive implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. The relevant Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent,

the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents, transfer agents or registrars, provided that they will at all times maintain an Issuing and Paying Agent, a Calculation Agent, a Transfer Agent in relation to Registered Notes and a Registrar in relation to Registered Notes.

Notice of any such change or any change of any specified office will be promptly given to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by, *inter alios*, the Issuers, the Guarantor, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which, *inter alios*, the Issuers, the Guarantor, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of, *inter alios*, the Issuers, the Guarantor and the Trustee, adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Notes comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmaturing Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the relevant Issuer may require.

- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the relevant Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of Notes other than Variable Rate Notes and Zero Coupon Notes) the Rate of Interest applicable to such Note, (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the relevant Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the relevant Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore, otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirements or by making or procuring the making of a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment.

Notwithstanding any other provisions of these Conditions, in no event will the relevant Issuer or, as the case may be, the Guarantor, be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the relevant Issuer or, as the case may be, the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events (“**Events of Default**”) occurs, the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice in writing to the relevant Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon

Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor does not pay the principal of, or Redemption Amount (whether becoming due upon redemption or otherwise) or (in the case of Zero Coupon Notes) the Early Redemption Amount on, or any interest on, any Notes of any Series when due and such default continues for a period exceeding seven days;
- (b) the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the relevant Issuer or the Guarantor referred to in paragraph (a) above) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not remedied within 30 days after the date on which the notice is given by the Trustee to the relevant Issuer or, as the case may be, the Guarantor requiring the same to be remedied;
- (c) any representation, warranty or statement by the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any material respect or is or proves to have been incorrect in any material respect when made or deemed repeated and if the event resulting in such non-compliance or incorrectness is, in the opinion of the Trustee, capable of remedy, it is not remedied within 30 days after the date on which the notice is given by the Trustee to the relevant Issuer or, as the case may be, the Guarantor requiring the same to be remedied;
- (d) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;
- (e)
 - (i) any other indebtedness of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries in respect of borrowed moneys (1) is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) and, in the case of any default which results in any borrowed money being capable of being rendered due and payable, such default is not remedied within any grace period originally applicable thereto or extended or granted by way of agreement between the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries (as the case may be) and the relevant creditor or (2) is not paid when due within any applicable grace period; or
 - (ii) the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries fails to pay within 15 days after being properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (e) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (e) has/have occurred equals or exceeds S\$50,000,000 or its equivalent in other currency or currencies;

- (f) the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness (other than those contested in good faith and by appropriate proceedings), takes any proceeding under any law for a deferral, rescheduling or other readjustment of all or a material part of its indebtedness with its creditors generally (or any class of its creditors in respect of a material part of its indebtedness which it will, or might otherwise, be unable to pay when due), applies for a moratorium in respect of or affecting all or a material part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally (or any class of its creditors in respect of a material part of its indebtedness) or a moratorium is agreed, declared or otherwise (by operation of law) arises in respect of or affecting all or a material part of the indebtedness of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;
- (h) any security on or over the whole or a material part of the assets of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries becomes enforceable;
- (i) (i) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed for the winding-up, amalgamation, reconstruction, reorganisation, merger, consolidation or termination of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries (except for an amalgamation, reconstruction, reorganisation, merger or consolidation where such event is either (1) not likely to have a material adverse effect on the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor or (2) on terms approved before such event by the Trustee or the Noteholders by way of Extraordinary Resolution) or for the appointment of a liquidator (including a provisional liquidator), judicial manager, trustee, administrator, agent or similar officer (in each case, including any provisional, interim or temporary officer or appointee) of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries or over any part of the assets of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries; or
 - (ii) any step is taken by any person for the appointment of a receiver of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries or over any material part of the assets of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries;
- (j) (i) (where the relevant Issuer is ARMPL) ARMPL shall cease or threaten to cease to carry on its Authorised Business (as defined in the Trust Deed) or (ii) the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT shall cease or threaten to cease to carry on its principal business of the ownership (whether directly or indirectly) and/or operation of serviced residences and/or rental housing properties;

- (k) any condemnation, seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor, CapitaLand Ascott REIT or any of the Principal Subsidiaries occurs and such condemnation, seizure, compulsory acquisition, expropriation or nationalisation will have a material adverse effect on the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor;
- (l) any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of the Issue Documents or the Notes on behalf of the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor or the performance of the relevant Issuer's or (where the relevant Issuer is ARMPL) the Guarantor's obligations under the Notes or the Guarantee is withdrawn or modified or otherwise ceases to be in full force and effect;
- (m) it is or will become unlawful for the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor to observe, perform or comply with, or the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor contests the validity or enforceability of or repudiates, any one or more of their respective obligations under any of the Issue Documents to which it is a party and/or the Guarantee or any of the Notes;
- (n)
 - (i) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor not) to be the legal and valid obligations of the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor, binding upon it in accordance with its terms; or
 - (ii) any applicable law, directive, order or judgment is enacted, promulgated or entered, the effect of which would be to render any Issue Document to which the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor is a party unenforceable;
- (o) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature) is current or pending against the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor or CapitaLand Ascott REIT (i) to restrain the entry into, exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor under any of the Issue Documents to which it is a party or any of the Notes or (ii) which will have a material adverse effect on the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor;
- (p) (i) (1) DBS Trustee Limited ("**DBST**") resigns or is removed, (2) an order is made for the winding-up of DBST, a receiver, judicial manager, administrator, agent or similar officer of DBST is appointed, and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of DBST which prevents or restricts the ability of the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor to perform its obligations under any of the Notes, the Issue Documents to which it is a party or the Guarantee and (ii) the replacement or substitute trustee of CapitaLand Ascott REIT is not appointed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed;

- (q) (i) the CapitaLand Ascott REIT Manager (as defined in the Trust Deed) resigns or is removed pursuant to the terms of the CapitaLand Ascott REIT Trust Deed and (ii) the replacement or substitute manager of CapitaLand Ascott REIT is not appointed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed;
- (r) the CapitaLand Ascott REIT Trustee loses its right to be indemnified out of the assets of CapitaLand Ascott REIT in respect of any liability, claim, demand or action under or in connection with any of the Issue Documents or the Notes and, if in the opinion of the Trustee such loss of right is capable of remedy, it is not remedied within 21 days after the date on which the notice is given by the Trustee to the CapitaLand Ascott REIT Trustee requiring the same to be remedied;
- (s) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (f), (g), (h), (i) or (k);
- (t) the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part 9 of the Companies Act 1967 of Singapore; or
- (u) for any reason the CapitaLand Ascott REIT Trustee ceases to own (directly or indirectly) the whole of the issued share capital for the time being of ARMPL.

For the purposes of these Conditions:

- (A) **“Principal Subsidiaries”** means any subsidiary of CapitaLand Ascott REIT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the CapitaLand Ascott REIT Group have been prepared, is at least 10 per cent. of the total assets of the CapitaLand Ascott REIT Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or CapitaLand Ascott REIT (the **“transferee”**) then:
 - (I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott REIT) shall thereupon become a Principal Subsidiary; and
 - (II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is CapitaLand Ascott REIT) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (aa) the first audited consolidated accounts of the CapitaLand Ascott REIT Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets of the CapitaLand Ascott REIT Group, as shown by such audited consolidated accounts and (bb) a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 10 per cent. of the total assets of the CapitaLand Ascott REIT Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(B) “**subsidiary**” has the meaning ascribed to it in the Trust Deed.

11. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders, Modifications and Substitutions

(a) Meeting of Noteholders and modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the relevant Issuer or (where the relevant Issuer is ARMPL) the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified on the face of the Note may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is to cure any ambiguity or of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the

provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified by the relevant Issuer to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) Substitutions

In the case where ARMPL is the relevant Issuer, the Trustee may, without the consent of the Noteholders, agree with ARMPL and the Guarantor to the substitution in place of ARMPL (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company being the Guarantor or a wholly-owned subsidiary of CapitaLand Ascott REIT, subject to:

- (i) except in the case of the substitution of the Issuer by the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;
- (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (iii) certain other conditions set out in the Trust Deed being complied with.

In addition, the Issuer and (where the relevant Issuer is ARMPL) the Guarantor may substitute in place of DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (or of any previous substitute under this Condition) as (where the relevant Issuer is not ARMPL) the principal debtor and (where the relevant Issuer is ARMPL) the guarantor under the Notes, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of CapitaLand Ascott REIT (such substituted company being hereinafter called the “**New CapitaLand Ascott REIT Trustee**”) in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, subject to:

- (1) the Trustee being provided with evidence to its satisfaction that the appointment of the New CapitaLand Ascott REIT Trustee has been completed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, including a copy of the deed supplemental to the CapitaLand Ascott REIT Trust Deed providing for such appointment, a confirmation from the CapitaLand Ascott REIT Manager that the Deposited Property (as defined in the CapitaLand Ascott REIT Trust Deed) has been vested in the New CapitaLand Ascott REIT Trustee, and an opinion from independent legal advisors of recognised standing to the effect such appointment of the New CapitaLand Ascott REIT Trustee is legal, valid and binding on CapitaLand Ascott REIT; and
- (2) certain other conditions set out in the Trust Deed being complied with.

The Issuer shall deliver to the Trustee a certificate signed by a duly authorised signatory of the Issuer or, as the case may be, of the CapitaLand Ascott REIT Manager stating that the appointment of the New CapitaLand Ascott REIT Trustee has been completed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed and that the conditions set out in

the Trust Deed for the substitution of the CapitaLand Ascott REIT Trustee have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Upon the execution of such documents and compliance with such requirements, the New CapitaLand Ascott REIT Trustee shall be deemed to be named in the Notes, the Coupons and the Trust Deed as the principal debtor and, as the case may be, the guarantor in place of DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (or in place of the previous substitute under this clause) under the Notes, the Coupons and the Trust Deed and the Notes, the Coupons and the Trust Deed shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Notes, the Coupons and the Trust Deed to DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) and/or the CapitaLand Ascott REIT Trustee shall, unless the context otherwise requires, be deemed to be or include references to the New CapitaLand Ascott REIT Trustee.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the relevant Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter

into business transactions with the relevant Issuer, (where the relevant Issuer is ARMPL) the Guarantor or any of the respective related corporations of ARMPL and CapitaLand Ascott REIT without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the relevant Issuer and (where the relevant Issuer is ARMPL) the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where CapitaLand Ascott REIT is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 16. In the case where notices to holders of Notes are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above.

Until such time as any Definitive Notes (as defined in the Trust Deed) or Certificate(s) are issued, there may, so long as the Global Note(s) or Global Certificate(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, the Depository and/or any other clearing system, be substituted for such publication in such newspapers, such mailing or announcement on the SGX-ST, the delivery of the relevant notice to Euroclear, Clearstream, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the relevant Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the relevant Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Acknowledgement

(a) Capacity

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed and acknowledged that DBST has entered into the Trust Deed only in its capacity as trustee of CapitaLand Ascott REIT and not in DBST's personal capacity and all references to the "Issuer", the "relevant Issuer", the "CapitaLand Ascott REIT Trustee" and the "Guarantor" shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, DBST has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee of CapitaLand Ascott REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by DBST under the Trust Deed, the Notes and the Coupons, is given or to be given by DBST only in its capacity as trustee of CapitaLand Ascott REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of CapitaLand Ascott REIT over which DBST in its capacity as trustee of CapitaLand Ascott REIT has recourse and shall not extend to any personal or other assets of DBST or any assets held by DBST in its capacity as trustee of any other trust (other than CapitaLand Ascott REIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by DBST under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to CapitaLand Ascott REIT (and shall not extend to DBST's obligations in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Noteholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of DBST.

(b) No Recourse

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby acknowledged and agreed that the obligations of the CapitaLand Ascott REIT Trustee as an Issuer and/or the Guarantor under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of DBST and there shall be no recourse against the shareholders, directors, officers or employees of DBST for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Noteholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of DBST.

(c) Legal Action or Proceedings

For the avoidance of doubt, any legal action or proceedings commenced against the CapitaLand Ascott REIT Trustee as an Issuer and/or the Guarantor whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against DBST in its capacity as trustee of CapitaLand Ascott REIT and not in its personal capacity. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Noteholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of DBST.

(d) Survival of Provisions

This Condition shall survive the termination or rescission of the Trust Deed and the redemption or cancellation of the Notes and/or any Coupons and shall apply, *mutatis mutandis*, to any notice, certificate or other document which the CapitaLand Ascott REIT Trustee as an Issuer and/or the Guarantor issues under or pursuant to the Trust Deed and the Notes as if expressly set out therein.

18. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, any Notes, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuers and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee, the Noteholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) No immunity

Each of the relevant Issuer and the Guarantor irrevocably agrees that, should the Trustee take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. Each of the relevant Issuer and the Guarantor irrevocably agrees that it and its assets and CapitaLand Ascott REIT and CapitaLand Ascott REIT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed.

19. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg

TERMS AND CONDITIONS OF THE CAPITALAND ASCOTT BT PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a trust deed dated 9 September 2009 made between (1) Ascott REIT MTN Pte. Ltd. (“**ARMPL**”), as issuer, (2) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) (“**CapitaLand Ascott REIT**”)) (the “**CapitaLand Ascott REIT Trustee**”), as guarantor, and (3) The Bank of New York Mellon, as trustee for the holders of the Notes (as defined in the Trust Deed defined below) (as amended and restated by an amendment and restatement trust deed dated 9 July 2020 made between (1) ARMPL, DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (in its capacity as trustee-manager of CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) (“**CapitaLand Ascott BT**”)) (the “**Issuer**”), as issuers, (2) the CapitaLand Ascott REIT Trustee, in its capacity as guarantor for Notes (as defined in the Trust Deed) issued by ARMPL (the “**Guarantor**”), and (3) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as amended and restated by a second amendment and restatement trust deed dated 4 July 2024 made between the same parties, and as further amended, restated and supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 9 July 2020 (as supplemented by a supplemental deed of covenant dated 4 July 2024 and as further amended and supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer, relating to the CDP Perpetual Securities issued by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. ARMPL and the Guarantor have entered into an agency agreement dated 9 September 2009 made between (1) ARMPL, (2) the Guarantor, (3) The Bank of New York Mellon, as issuing and paying agent and agent bank, and (4) The Bank of New York Mellon, as trustee (as amended and restated by an amendment and restatement agency agreement dated 9 July 2020 made between (1) the Issuer, ARMPL and the CapitaLand Ascott REIT Trustee, as issuers, (2) the Guarantor, (3) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Issuing and Paying Agent**”), transfer agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Transfer Agent**”), registrar in respect of CDP Perpetual Securities (in such capacity, the “**CDP Registrar**”) and calculation agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Calculation Agent**”), (4) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Perpetual Securities cleared or to be cleared through Euroclear (as defined below) and/or Clearstream (as defined below) (“**Non-CDP Perpetual Securities**”) (in such capacity, the “**Non-CDP Issuing and Paying Agent**” and, together with the

CDP Issuing and Paying Agent and any other issuing and paying agents that may be appointed, the **“Issuing and Paying Agents”** and the Issuing and Paying Agents together with any other paying agents, the **“Paying Agents”**) and as calculation agent in respect of Non-CDP Perpetual Securities (in such capacity, the **“Non-CDP Calculation Agent”** and, together with the CDP Calculation Agent, the **“Calculation Agents”**), (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the **“Non-CDP Transfer Agent”** and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the **“Transfer Agents”**) and registrar in respect of Non-CDP Perpetual Securities (in such capacity, the **“Non-CDP Registrar”** and, together with the CDP Registrar, the **“Registrars”**), and (6) the Trustee, as trustee, as amended and restated by a second amendment and restatement agency agreement dated 4 July 2024 made between the same parties, and as further amended, restated or supplemented from time to time, the **“Agency Agreement”**). The Perpetual Securityholders and the holders (the **“Couponholders”**) of the distribution coupons (the **“Coupons”**) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the **“Talons”**) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Calculation Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Calculation Agent, (c) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (d) the Transfer Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the specified office of the Trustee for the time being and at the respective specified offices of the Issuing and Paying Agents for the time being upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the **“Perpetual Securities”**) are issued in bearer form (**“Bearer Perpetual Securities”**) or in registered form (**“Registered Perpetual Securities”**), in each case in the Denomination Amount shown on the face of the Perpetual Security. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown in its terms).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

- (i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”), The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear and/or Clearstream, the Depository and/or such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, the Depository and/or such other clearing system. For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, distribution and any other amounts in respect of the Perpetual Security shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, (2) the Depositary and/or (3) any other clearing system, “**Perpetual Securityholder**” means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and “holder” (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name the relevant Registered Perpetual Security is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and “**Tranche**” means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities

Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities

Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar, at the cost and expense of the Issuer, to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities

In the case of an exercise of an Issuer's option in respect of, or a partial redemption of or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the Perpetual Securityholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Perpetual Securityholder of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) Senior Perpetual Securities

This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Subordinated Perpetual Securities

This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) Status of Subordinated Perpetual Securities

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, “**Parity Obligation**” means (1) any instrument or security (including without limitation any preferred units) issued, entered into or guaranteed by the Issuer (A) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (B) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof or (2) as otherwise specified in the applicable Pricing Supplement.

(ii) Ranking of claims on Winding-Up

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 9(a)) of the Issuer or CapitaLand Ascott BT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the Issuer or CapitaLand Ascott BT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CapitaLand Ascott BT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**CapitaLand Ascott BT Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of the Issuer or CapitaLand Ascott BT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or CapitaLand Ascott BT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a)) of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of

each CapitaLand Ascott BT Notional Preferred Unit on a return of assets in such Winding-Up of the Issuer or CapitaLand Ascott BT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

(iii) No set-off

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up of the Issuer or CapitaLand Ascott BT, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CapitaLand Ascott BT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CapitaLand Ascott BT) and accordingly any such discharge shall be deemed not to have taken place.

(c) Winding-Up of the Issuer

For the purposes of these Conditions (which for the avoidance of doubt, includes Condition 3(b), Condition 4(IV)(e) and Condition 9), any reference to the Winding-Up of the Issuer shall only apply in the circumstances where (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of CapitaLand Ascott Business Trust Management Pte. Ltd. affecting its role as trustee-manager of CapitaLand Ascott BT (or of any previous replacement or substitute trustee-manager of CapitaLand Ascott BT) and (ii) the replacement or substitute trustee-manager of CapitaLand Ascott BT is not appointed in accordance with the terms of the CapitaLand Ascott BT Trust Deed (as defined in the Trust Deed) or by a court of competent jurisdiction within six months of such order or resolution; provided that nothing in this Condition 3(c) or these Conditions shall prevent the taking of any steps by the Trustee or, as the case may be, the Perpetual Securityholders or Couponholders, in such Winding-Up of the Issuer (including but not limited to the proving in such Winding-Up) within any prescribed time limit (if such time limit falls within six months of such order or resolution of the Winding-Up) as stipulated under any applicable laws, order of court or which may otherwise be imposed by the relevant legislative body, court, governmental agency, regulatory authority, or a liquidator, receiver, judicial manager, administrator or other officer acting on behalf of CapitaLand Ascott Business Trust Management Pte. Ltd. (or of any replacement or substitute trustee-manager of CapitaLand Ascott BT) in such Winding-Up at the appropriate juncture, but not well in advance of the expiry of such applicable time period.

(d) Final and effective Winding-Up

For the purposes of these Conditions (which, for the avoidance of doubt, includes Condition 3(b) and Condition 4(IV)(e)), any reference to “Winding-Up” being “final and effective” shall refer to any order, resolution, declaration or other determination for an effective Winding-Up which has not been stayed, suspended or otherwise set-aside.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Rate of Distribution and Accrual

Subject to Condition 4(IV), each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(VI)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Rate of Distribution shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 4(VI)) shown on the face of the Perpetual Security.

(b) Rate of Distribution

The Rate of Distribution applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement),
 - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
 - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from, and including, the Distribution Commencement Date to, but excluding, the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from, and including, the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Rate of Distribution,

provided always that if Redemption upon a Cessation or Suspension of Trading Event (as defined in Condition 5(g)) is specified on the face of such Perpetual Security and a Cessation or Suspension of Trading Event Margin is specified in the applicable Pricing Supplement, in the event that a Cessation or Suspension of Trading Event has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Rate of Distribution shall be increased by the Cessation or Suspension of Trading Event Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or, if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

“Reset Determination Date” means the second business day prior to the relevant Reset Date (or such other date specified in the relevant Pricing Supplement);

“Reset Rate of Distribution” means the SORA OIS Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation or Suspension of Trading Event Margin (as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(I)(b) above; and

“SORA OIS Rate” means (A) the SORA-OIS reference rate for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement available on the “OTC SGD OIS” page on Bloomberg under “BGN” appearing under the column headed “Ask” (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Calculation Agent)) at the close of business on the Reset Determination Date, or (B) if a Benchmark Event has occurred in relation to the SORA OIS Rate, such rate as determined in accordance with Condition 4(V).

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Subject to Condition 4(IV), each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each Distribution Payment Date, unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Perpetual Security, in which case distribution (save for distribution in respect of the final Distribution Period (as defined below) which will be payable in arrear on the final Distribution Payment Date) will be payable in arrear on the last business day of the Delay Period as set out in the relevant Pricing Supplement following each Distribution Payment Date. Such Distribution Payment Date(s) is/are either shown on the face of such Perpetual Security as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown on the face of such Perpetual Security, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).

(b) Business Day Convention

If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(c) Rate of Distribution – Floating Rate Perpetual Securities

- (i) Subject to Condition 4(IV), each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being SORA (in which case such Perpetual Security will be a “**SORA Perpetual Security**”) or such other Benchmark as is set out on the face of such Perpetual Security or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The “Spread” and the “Step-Up Spread” are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:

- (1) in the case of Floating Rate Perpetual Securities which are SORA Perpetual Securities, the Rate of Distribution for each Distribution Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Spread (if any) and the Step-up Spread (if any).

The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows:

- (A) If Compounded Daily SORA (“**Compounded Daily SORA**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Period shall be determined based on Compounded Daily SORA which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date in accordance with one of the formulas referenced below depending upon which Observation Method is specified in the applicable Pricing Supplement.

(aa) where “Lockout” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards;

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

“**Distribution Determination Date**” means the Singapore Business Day immediately following the Rate Cut-off Date, unless otherwise specified in the relevant Pricing Supplement;

“ I ”, for the relevant Distribution Period, is a series of whole numbers from one to d_o , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

“ n_i ”, for any Singapore Business Day “ i ”, is the number of calendar days from (and including) such Singapore Business Day “ i ” up to (but excluding) the following Singapore Business Day;

“ p ” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means, with respect to a Rate of Distribution and Distribution Period, the date falling “ p ” Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period (or the date falling “ p ” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “ i ”;

“**SORA_i**” means, in respect of any Singapore Business Day “ i ” falling in the relevant Distribution Period:

- I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and
- II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the “**Suspension Period SORA_i**”) (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA_i shall apply to each day falling in the relevant Suspension Period;

“**SORA Reset Date**” means, in relation to any Distribution Period, each Singapore Business Day during such Distribution Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Distribution Period; and

“Suspension Period” means, in relation to any Distribution Period, the period from (and including) the date falling “*p*” Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Distribution Payment Date of such Distribution Period.

(bb) where “Lookback” is specified as the Observation Method in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_{i-p\ SBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“*d*” is the number of calendar days in the relevant Distribution Period;

“*d_o*”, for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

“Distribution Determination Date” means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

“*I*”, for the relevant Distribution Period, is a series of whole numbers from one to *d_o*, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

“*n_i*”, for any Singapore Business Day “*I*”, is the number of calendar days from (and including) such Singapore Business Day “*I*” up to (but excluding) the following Singapore Business Day;

“Observation Period” means, for the relevant Distribution Period, the period from, and including, the date falling “*p*” Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling “*p*” Singapore Business Days prior

to the Distribution Payment Date at the end of such Distribution Period (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Singapore Business Days**” or “**SBD**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “**i**”; and

“**SORA_{i - p SBD}**” means, in respect of any Singapore Business Day “**i**” falling in the relevant Distribution Period, the reference rate equal to SORA in respect of the Singapore Business Day falling “**p**” Singapore Business Days prior to the relevant Singapore Business Day “**i**”.

(cc) where “Backward Shifted Observation Period” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Observation Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Observation Period;

“Distribution Determination Date” means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

“ I ”, for the relevant Distribution Period, is a series of whole numbers from one to d_o , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

“ n_i ”, for any Singapore Business Day “ i ”, is the number of calendar days from (and including) such Singapore Business Day “ i ” up to (but excluding) the following Singapore Business Day;

“Observation Period” means, for the relevant Distribution Period, the period from, and including, the date falling “ p ” Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling “ p ” Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling “ p ” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“ p ” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“Singapore Business Days” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **“Relevant Screen Page”**) on the Singapore Business Day immediately following such Singapore Business Day “ i ”; and

“SORA _{i} ” means, in respect of any Singapore Business Day “ i ” falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(dd) where “Payment Delay” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

“**Distribution Determination Date**” means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Distribution Period provided that the Distribution Determination Date with respect to the final Distribution Period will be the day falling one Singapore Business Day after the Rate-Cut Off Date, unless otherwise specified in the relevant Pricing Supplement;

“**i**”, for the relevant Distribution Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

“**n_i**”, for any day “**i**”, is the number of calendar days from (and including) such Singapore Business Day “**i**” up to (but excluding) the following Singapore Business Day;

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means the date that is “**p**” Singapore Business Days prior to the relevant redemption date, as applicable (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“Singapore Business Days” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “*t*”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **“Relevant Screen Page”**) on the Singapore Business Day immediately following such day “*t*”; and

“SORA_{*t*}” means, in respect of any Singapore Business Day “*t*” falling in the relevant Distribution Period, the reference rate equal to SORA in respect of that Singapore Business Day.

For the purposes of calculating Compounded Daily SORA with respect to the final Distribution Period ending on the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the Rate Cut-Off Date to (but excluding) the relevant redemption date shall be the level of SORA in respect of such Rate Cut-Off Date.

- (B) If SORA Index Average (**“SORA Index Average”**) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Period shall be determined based on the SORA Index Average which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date as follows:

$$\left(\frac{SORA Index_{End}}{SORA Index_{Start}} - 1 \right) \times \left(\frac{365}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

“d_c” means the number of calendar days from (and including) the SORA Index_{Start} to (but excluding) the SORA Index_{End};

“Singapore Business Days” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA Index” means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

- (i) if a Benchmark Event has not occurred, the “SORA Index Average” shall be calculated on any Distribution Determination Date with respect to a Distribution Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(II)(c)(ii)(1)(A)(cc), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Distribution Period that is used in the definition of SORA Index_{Start} as specified in the applicable Pricing Supplement; or
- (ii) if a Benchmark Event has occurred, the provisions set forth in Condition 4(V) shall apply;

“SORA Index_{End}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the last date of the relevant Distribution Period;

“SORA Index_{Start}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Period; and

“SORA Index Determination Time” means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

- (C) If, subject to Condition 4(V), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day “*T*”, SORA in respect of such day “*T*” has not been published and a Benchmark Event has not occurred, then SORA for that day “*T*” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(D) In the event that the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(V), the Rate of Distribution shall be:

- I. that determined as at the last preceding Distribution Determination Date or, as the case may be, Rate Cut-off Date (though substituting, where a different Spread (if any), Step-Up Spread (if any) or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Spread, Step-Up Spread or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Period in place of the Spread, Step-Up Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period); or
- II. if there is no such preceding Distribution Determination Date or, as the case may be, Rate Cut-off Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Securities for the first Distribution Period had the Perpetual Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Spread, Step-Up Spread or Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Period (if any)).

If the relevant Series of Perpetual Securities become due and payable in accordance with Condition 9, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Distribution on such Perpetual Securities shall, for so long as any such Perpetual Security remains outstanding, be that determined on such date.

(2) in the case of Floating Rate Perpetual Securities which are not SORA Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

- (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
 - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

- (B) if paragraph (c)(ii)(2)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (c)(ii)(2)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
 - (C) if paragraph (c)(ii)(2)(B) applies and fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date; and
 - (D) if the Rate of Distribution for a Distribution Period is unable to be determined in accordance with paragraphs (c)(ii)(2)(A) to (c)(ii)(2)(C) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (c)(ii)(2)(A), (c)(ii)(2)(B) or (c)(ii)(2)(C) above shall have applied.
- (iii) On the last day of each Distribution Period (except as otherwise specified in the applicable Pricing Supplement), the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
 - (iv) For the avoidance of doubt, in the event that the Rate of Distribution as determined in accordance with the foregoing in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.
 - (v) If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(c) is less than such Minimum Rate of Distribution, the rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution.
 - (vi) If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(c) is more than such Maximum Rate of Distribution the rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(III) Calculations

(a) Determination of Rate of Distribution, Reset Rate of Distribution and Calculation of Distribution Amounts etc

The Calculation Agent shall, as soon as practicable on each Distribution Determination Date or Reset Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Period, calculate the applicable Reset Rate of Distribution, calculate the Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Perpetual Securityholders.

(b) Accrual of Distribution

Distribution will cease to accrue on each Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the Rate of Distribution and in the manner provided in this Condition 4 to (but excluding) the Relevant Date (as defined in Condition 7).

(c) Notification

The Calculation Agent will cause the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. The Issuing and Paying Agent will also cause the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Perpetual Securities, the Rate of Distribution, the Reset Rate of Distribution and Distribution Amounts payable in respect of the Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution, the Reset Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(d) Failure to Determine or Calculate Rate of Distribution or Reset Rate of Distribution

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution or, as the case may be, Reset Rate of Distribution for a Distribution Period or any Distribution Amount, the Issuer shall notify the Trustee and the Issuing and Paying Agent of this failure and as soon as reasonably practicable appoint an alternative Calculation Agent. In doing so, the alternative Calculation Agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall in its sole opinion deem fair and reasonable in all the circumstances. If the Issuer fails to so appoint, the Perpetual Securities will, for the relevant Distribution Period, bear distribution at the rate in effect for the last preceding Distribution Period to which Condition 4(II) above shall have applied and the Issuing and Paying Agent will determine the relevant Distribution Amount.

(e) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security that is not a SORA Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, if provision is made for them hereon and so long as any Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution or, as the case may be, Reset Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts or the Redemption Amount, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out on the face of the relevant Perpetual Security, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out on the face of the relevant Perpetual Security, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer’s Junior Obligations or (except on a pro rata basis) any of the Issuer’s Specified Parity Obligations; or

- (ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a pro rata basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott BT Group (as defined in the Trust Deed), (2) as a result of the exchange or conversion of the Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

- (1) **"Junior Obligation"** means the ordinary units of CapitaLand Ascott BT and any class of equity capital in CapitaLand Ascott BT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of CapitaLand Ascott BT; and
- (2) **"Specified Parity Obligations"** means (A) any instrument or security (including without limitation any preference units) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof or (B) as otherwise specified in the applicable Pricing Supplement.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No Obligation to Pay

If Optional Payment is set out on the face of the relevant Perpetual Security and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

- (i) If Non-Cumulative Deferral is set out on the face of the relevant Perpetual Security, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (**"Optional Distribution"**) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

- (ii) If Cumulative Deferral is set out on the face of the relevant Perpetual Security, any distribution deferred pursuant to this Condition 4(IV) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.
- (iii) If Additional Distribution is set out on the face of the relevant Perpetual Security, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out on the face of the relevant Perpetual Security and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not, and shall procure that none of the subsidiaries of CapitaLand Ascott BT shall, in respect of the Issuer’s Junior Obligations or the Issuer’s Specified Parity Obligations:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott BT Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the

subsidiaries of CapitaLand Ascott BT to do so) by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 15 business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 or on a final and effective Winding-Up of the Issuer or CapitaLand Ascott BT.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

(V) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(V)(b)) and an Adjustment Spread, if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)) by no later than five Business Days prior to the

relevant Reset Determination Date or (as the case may be) Distribution Determination Date (or such other date as may be agreed between the Issuer and the Calculation Agent) (the “**IA Determination Cut-off Date**”). An Independent Adviser appointed pursuant to this Condition 4(V) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Perpetual Securityholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(V).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4(V)(b)) and an Adjustment Spread, if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)), provided that if the Issuer is unable to or does not determine the Benchmark Replacement by five business days prior to the relevant Reset Determination Date in respect of a Reset Date (the “**Original Reset Date**”) or (as the case may be) Distribution Determination Date, the Rate of Distribution applicable to the relevant current Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Step-Up Margin, Cessation or Suspension of Trading Event Margin, Spread or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Step-Up Margin, Cessation or Suspension of Trading Event Margin, Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Step-Up Margin, Cessation or Suspension of Trading Event Margin, Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period or (in the case where no Step-Up Margin or Cessation or Suspension of Trading Event Margin applied in the last preceding Distribution Period and a Step-Up Margin or Cessation or Suspension of Trading Event Margin is to be applied to the relevant Distribution Period), such Step-Up Margin or Cessation or Suspension of Trading Event Margin shall be applied to the relevant Distribution Period. The foregoing shall (other than in the case of Fixed Rate Perpetual Securities) apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(V)(a), and (in the case of Fixed Rate Perpetual Securities) apply to the relevant next Distribution Period falling immediately after the Original Reset Date only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(V)(a), and (in the case of Fixed Rate Perpetual Securities) such relevant Reset Date shall be adjusted so that it falls on the Distribution Payment Date immediately after the Original Reset Date (the “**Adjusted Reset Date**”). For the avoidance of doubt, (1) this paragraph shall apply, *mutatis mutandis*, to each Adjusted Reset Date until the Benchmark Replacement is determined in accordance with this Condition 4(V)(a) and (2) notwithstanding any other provisions of this Condition 4(V)(a), the Reset Dates falling after any Adjusted Reset Date shall continue to fall on the dates falling every Reset Period after the First Reset Date (subject to adjustment pursuant to this Condition 4(V)(a)) and the Reset Period shall remain unchanged.

(b) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) shall (subject to adjustments as provided in Condition 4(V)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(V)).

(c) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (A) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (B) the quantum of, or a formula or methodology for, determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(d) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(V)(e), without any requirement for the consent or approval of Perpetual Securityholders vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent of a certificate signed by the duly authorised signatory(ies) of the Issuer pursuant to Condition 4(V)(e), the Trustee and the Issuing and Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and the Agency Agreement), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(V). Perpetual Securityholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 4(V)(d), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(V) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Perpetual Securityholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate addressed to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and signed by the duly authorised signatory(ies) of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Benchmark Replacement, (3) where applicable, any Adjustment Spread and/or (4) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(V); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent and the Perpetual Securityholders and the Couponholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(V)(a), 4(V)(b), 4(V)(c) and 4(V)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4, as applicable, will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(V)(e).

(g) Definitions

As used in this Condition 4(V):

“Adjustment Spread” means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or
- (2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities; or
- (4) if no such industry standard is recognised or acknowledged, the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines in accordance with Condition 4(V)(b) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the local or international debt capital markets for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities (including, but not limited to applicable government bonds) or, if the Independent Adviser or the Issuer determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as the case may be) determines (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate;

“Benchmark Amendments” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Distribution Period”, timing and frequency of determining rates and making payments of distribution, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Reset Period or, as the case may be, the Distribution Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser

or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is reasonably necessary);

“Benchmark Event” means one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder or Couponholder using the Original Reference Rate; or
- (vi) a public statement by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur:

- (1) in the case of paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;
- (2) in the case of paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and
- (3) in the case of paragraph (vi) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

“Benchmark Replacement” means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Reset Determination Date or (as the case may be) Distribution Determination Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be):

- (i) Identified SORA;
- (ii) the Successor Rate;
- (iii) the ISDA Fallback Rate; and
- (iv) the Alternative Rate;

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“Identified SORA” means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been (i) selected or recommended by the Relevant Nominating Body, or (ii) determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated securities;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(V)(a);

“Interpolated Benchmark” with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (ii) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution (or any component part thereof) on the Perpetual Securities, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally published, endorsed, approved, recognised or recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenor.

(VI) Definitions

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Perpetual Security, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream and the Depository, as applicable, are operating, (b) a day on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent’s specified office and (c) (if a payment is to be made on that day):

- (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day on which banks and foreign exchange markets are open for general business in Singapore;
- (ii) (in the case of Perpetual Securities denominated in Euros) a day on which the T2 is open for settlement in Euros;
- (iii) (in the case of Perpetual Securities denominated in Renminbi) a day on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and
- (iv) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown in the terms thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of distribution in accordance with Condition 5:

- (a) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 (or, if any portion of that Distribution Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Distribution Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Distribution Period falling in a non-leap year divided by 365);
- (b) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period in respect of which payment is being made divided by 360;
- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period in respect of which payment is being made divided by 365; and
- (d) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Distribution Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Distribution Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Distribution Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Distribution Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

“Distribution Amount” means, in respect of a Distribution Period, the amount of distribution payable per Calculation Amount for that Distribution Period;

“Distribution Commencement Date” means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

“Distribution Determination Date” means, (a) in the case of Fixed Rate Perpetual Securities, each Step-Up Date, each Reset Date or (if a Cessation or Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date) and (b) in the case of Floating Rate Perpetual Securities, in respect of any Distribution Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“Distribution Period” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date;

“Euro” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“Offshore Renminbi Centre” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“Primary Source” means (a) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (**“Reuters”**)) agreed to by the Calculation Agent or (b) the Reference Banks, as the case may be;

“Rate of Distribution” means the rate of distribution payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions hereon;

“Reference Banks” means the institutions specified as such on the face of the relevant Perpetual Security or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Perpetual Securities are denominated;

“Relevant Financial Centre” means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

“Relevant Time” means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Renminbi” means the lawful currency of the People’s Republic of China;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters and Bloomberg agency) as may be specified on the face of the Perpetual Security for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided on the face of the relevant Perpetual Security, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer’s Redemption Option Period shown on the face of the relevant Perpetual Security, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) to the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided on the face of the relevant Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore ("ITA") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, and the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will be subject to withholding tax in Singapore when paid to persons not tax resident in Singapore (other than Singapore branches of foreign companies); or
 - (2) the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA, and such distributions will be subject to withholding tax in Singapore when paid to persons not tax resident in Singapore (other than Singapore branches of foreign companies); or
- (ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations or administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations or administrative pronouncements promulgated thereunder by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and publication of any judicial decision or regulatory determination) which amendment or change is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (3) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations or administrative pronouncements promulgated thereunder that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

- (1) a certificate signed by a director or a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (2) in the case of a notice of redemption pursuant to Condition 5(c)(i), a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(c)(i) or, in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax,

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate, and ruling or opinion (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(c).

References in this Condition 5(c) to “independent tax or legal advisers of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s or CapitaLand Ascott BT’s usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer or CapitaLand Ascott BT in connection with the issue and offering of the Perpetual Securities.

(d) Redemption for Accounting Reasons

The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the “**SFRS**”) or as the case may be, the Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council (as amended from time to time, the “**SFRS (I)**”) or any other accounting standards that may replace SFRS or, as the case may be, SFRS(I) for the purposes of the consolidated financial statements of CapitaLand Ascott BT (the “**Relevant Accounting Standard**”), the Perpetual Securities will not or will no longer be recorded as “equity” of CapitaLand Ascott BT pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

- (i) a certificate, signed by a director or a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect,

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided in the terms of the relevant Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the terms of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption):

- (i) if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

- (ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (A) a certificate, signed by a director or a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect or, in the case of a notice of redemption pursuant to Condition 5(e)(ii), a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(e)(ii),

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate, and opinion or ruling (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided on the face of the relevant Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon Cessation or Suspension of Trading of Units

If so provided in the terms of the relevant Perpetual Security, in the event that (i) (for so long as the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are Stapled) the Stapled Units or (ii) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott BT Units cease to be listed and/or traded on the Singapore Exchange Securities Trading Limited (the "SGX-ST") or trading in the Stapled Units or, as the case may be, the CapitaLand Ascott BT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days (each, a "Cessation or Suspension of Trading Event"), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if earlier, the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption). The Issuer shall forthwith (and in any event not later than seven days after the Effective Date) notify the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders of such cessation or listing or trading and the proposed date of redemption of the Perpetual Securities.

For the purposes of this Condition 5(g):

- (i) **“CapitaLand Ascott REIT Units”, “CapitaLand Ascott BT Units”, “Stapled” and “Stapled Units”** bear the same meanings as ascribed to them in the Trust Deed;
- (ii) **“Effective Date”** means (in the case where the Stapled Units or CapitaLand Ascott BT Units cease to be listed and/or traded on the SGX-ST) the date of cessation of listing or, as the case may be, trading or (in the case where trading in the Stapled Units or CapitaLand Ascott BT Units on the SGX-ST is suspended for a continuous period of more than 10 consecutive market days) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (iii) **“market day”** means a day on which the SGX-ST is open for securities trading.

(h) Redemption upon a Regulatory Event

If so provided on the face of the relevant Perpetual Security and only where the Issuer is subject to the Property Funds Appendix or such equivalent regulation for business trusts generally, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their Redemption Amount, together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix or such equivalent regulation for business trusts generally, or any change in the application or official interpretation of the Property Funds Appendix or such equivalent regulation for business trusts generally, the Perpetual Securities count or will count towards the percentage limit as property funds may from time to time be permitted under the Property Funds Appendix or such equivalent regulation for business trusts generally (a **“Regulatory Event”**), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the percentage limit.

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (i) a certificate, signed by a director or a duly authorised officer of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer’s independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix or such equivalent regulation for business trusts generally, took, or is due to take, effect,

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(h).

For the purposes of this Condition 5(h), “**Property Funds Appendix**” means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore, as amended or modified from time to time.

References in this Condition 5(h) to “independent legal adviser of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s or CapitaLand Ascott BT’s usual legal advisers, or any such adviser who may have tendered professional services to the Issuer or CapitaLand Ascott BT in connection with the issuer and offering of the Perpetual Securities.

(i) Redemption upon a Ratings Event

If so provided on the face of the relevant Perpetual Security, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), at their Redemption Amount (together with distribution (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined below) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and, in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Prior to the publication of any notice of redemption pursuant to this Condition 5(i), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Issuing and Paying Agent a certificate, signed by a director or a duly authorised officer of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances.

The Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon expiry of any such notice as is referred to in this Condition 5(i), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(i).

For the purposes of this Condition 5(i), “**Rating Agency**” means Fitch Ratings, Moody’s Investor Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., or any of their respective successors.

(j) Purchases

The Issuer and/or any of the related corporations of CapitaLand Ascott BT may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of CapitaLand Ascott BT shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer and/or any of the related corporations of CapitaLand Ascott BT may be surrendered by the purchaser to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(k) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of the related corporations of CapitaLand Ascott BT may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or, as the case may be, Coupons:

- (i) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
- (ii) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Distribution in respect of Registered Perpetual Securities

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Payments of distribution on Registered Perpetual Securities shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made:
 - (A) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and

- (B) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law, regulation or directive implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents, transfer agents or registrars, provided that it will at all times maintain an Issuing and Paying Agent, a Calculation Agent, a Transfer Agent in relation to Registered Perpetual Securities and a Registrar in relation to Registered Perpetual Securities.

Notice of any such change or any change of any specified office will be promptly given to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by, *inter alios*, the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which, *inter alios*, the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of, *inter alios*, the Issuer and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore, otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirements or by making or procuring the making of a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Perpetual Security or Coupon is presented for payment.

Notwithstanding any other provisions of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Perpetual Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, judicial management, administration or similar proceedings (the “**Winding-Up**”) in respect of CapitaLand Ascott BT is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the Issuer and/or CapitaLand Ascott BT or (ii) the Issuer does not pay any principal, distribution or other amount payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for 15 business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of CapitaLand Ascott BT, prove in the Winding-Up of the Issuer and/or CapitaLand Ascott BT and/or claim in the liquidation of the Issuer and/or CapitaLand Ascott BT for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-Up of CapitaLand Ascott BT or claim in the liquidation of the Issuer or CapitaLand Ascott BT or to prove in such Winding-Up of the Issuer or CapitaLand Ascott BT unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities (as applicable) or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

(g) Damages subject to Subordination

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 9.3 of the Trust Deed.

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified on the face of such Perpetual Securities may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution or (h) to amend the subordination provisions of the Perpetual Securities, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is to cure any ambiguity or of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream and/or the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified by the Issuer to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the related corporations of CapitaLand Ascott BT without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where CapitaLand Ascott BT is listed on the SGX-ST or where the Perpetual Securities are listed on the SGX-ST, notices to the holders of such Perpetual Securities shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 14. In the case where notices to holders of Perpetual Securities are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above.

Until such time as any Definitive Perpetual Securities (as defined in the Trust Deed) or Certificate(s) are issued, there may, so long as the Global Security(ies) or Global Certificate(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, the Depository and/or any other clearing system, be substituted for such publication in such newspapers, such mailing or announcement on the SGX-ST, the delivery of the relevant notice to Euroclear, Clearstream, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, the Depository and/or such other clearing system.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Acknowledgement

(a) Capacity

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby agreed and acknowledged that CapitaLand Ascott Business Trust Management Pte. Ltd. ("**CABTMPL**") has entered into the Trust Deed solely in its capacity as trustee-manager of CapitaLand Ascott BT and not in CABTMPL's personal capacity and all references to the "Issuer" shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, CABTMPL has assumed all obligations under the Trust Deed, the Perpetual Securities and the Coupons in its capacity as trustee-manager of CapitaLand Ascott BT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by CABTMPL under the Trust Deed, the Perpetual Securities and the Coupons, is given or to be given by CABTMPL only in its capacity as trustee-manager of CapitaLand Ascott BT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Perpetual Securities and the Coupons is limited to the assets of CapitaLand Ascott BT over which CABTMPL in its capacity as trustee-manager of CapitaLand Ascott BT has recourse and shall not extend to any personal or other assets of CABTMPL or any assets held by CABTMPL in its capacity as trustee-manager of any other trust (other than CapitaLand Ascott BT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by CABTMPL under the Trust Deed, the Perpetual Securities and the Coupons shall only be in connection with matters relating to CapitaLand Ascott BT (and shall not extend to CABTMPL's obligations in respect of any other trust of which it is a trustee-manager). The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of CABTMPL.

(b) No Recourse

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby acknowledged and agreed that CABTMPL's obligations under the Trust Deed, the Perpetual Securities and the Coupons will be solely the corporate obligations of CABTMPL and there shall be no recourse against the shareholders, directors, officers or employees of CABTMPL for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities and the Coupons. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of CABTMPL.

(c) Legal Action or Proceedings

For the avoidance of doubt, any legal action or proceedings commenced against CABTMPL whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities and the Coupons shall be brought against CABTMPL in its capacity as trustee of CapitaLand Ascott BT and not in its personal capacity. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of CABTMPL.

(d) Survival of Provisions

This Condition shall survive the termination or rescission of the Trust Deed and the redemption or cancellation of the Perpetual Securities and/or the Coupons and shall apply, *mutatis mutandis*, to any notice, certificate or other document which CABTMPL issues under or pursuant to the Trust Deed and the Perpetual Securities as if expressly set out therein.

16. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee, the Perpetual Securityholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) No immunity

The Issuer irrevocably agrees that, should the Trustee take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that it and its assets and CapitaLand Ascott BT and CapitaLand Ascott BT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

**CDP Issuing and Paying Agent, CDP Calculation Agent,
CDP Transfer Agent and CDP Registrar**

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg

TERMS AND CONDITIONS OF THE CAPITALAND ASCOTT REIT PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a trust deed dated 9 September 2009 made between (1) Ascott REIT MTN Pte. Ltd. (“**ARMPL**”), as issuer, (2) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) (“**CapitaLand Ascott REIT**”)) (the “**CapitaLand Ascott REIT Trustee**”), as guarantor, and (3) The Bank of New York Mellon, as trustee for the holders of the Notes (as defined in the Trust Deed defined below) (as amended and restated by an amendment and restatement trust deed dated 9 July 2020 made between (1) ARMPL, DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (the “**Issuer**”) and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (in its capacity as trustee-manager of CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) (“**CapitaLand Ascott BT**”)) (the “**CapitaLand Ascott BT Trustee-Manager**”), as issuers, (2) DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT), in its capacity as guarantor for Notes (as defined in the Trust Deed) issued by ARMPL (the “**Guarantor**”), and (3) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as amended and restated by a second amendment and restatement trust deed dated 4 July 2024 made between the same parties, and as further amended, restated and supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 9 July 2020 (as supplemented by a supplemental deed of covenant dated 4 July 2024 and as further amended and supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer, relating to the CDP Perpetual Securities issued by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. ARMPL and the Guarantor have entered into an agency agreement dated 9 September 2009 made between (1) ARMPL, (2) the Guarantor, (3) The Bank of New York Mellon, as issuing and paying agent and agent bank, and (4) The Bank of New York Mellon, as trustee (as amended and restated by an amendment and restatement agency agreement dated 9 July 2020 made between (1) the Issuer, ARMPL and the CapitaLand Ascott BT Trustee-Manager, as issuers, (2) the Guarantor, (3) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Issuing and Paying Agent**”), transfer agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Transfer Agent**”), registrar in respect of CDP Perpetual Securities (in such capacity, the “**CDP Registrar**”) and calculation agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Calculation Agent**”), (4) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Perpetual Securities cleared or to be cleared through Euroclear (as defined below) and/or Clearstream (as defined below) (“**Non-CDP Perpetual Securities**”) (in

such capacity, the **“Non-CDP Issuing and Paying Agent”** and, together with the CDP Issuing and Paying Agent and any other issuing and paying agents that may be appointed, the **“Issuing and Paying Agents”** and the Issuing and Paying Agents together with any other paying agents, the **“Paying Agents”**) and as calculation agent in respect of Non-CDP Perpetual Securities (in such capacity, the **“Non-CDP Calculation Agent”** and, together with the CDP Calculation Agent, the **“Calculation Agents”**), (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the **“Non-CDP Transfer Agent”** and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the **“Transfer Agents”**) and registrar in respect of Non-CDP Perpetual Securities (in such capacity, the **“Non-CDP Registrar”** and, together with the CDP Registrar, the **“Registrars”**), and (6) the Trustee, as trustee, as amended and restated by a second amendment and restatement agency agreement dated 4 July 2024 made between the same parties, and as further amended, restated or supplemented from time to time, the **“Agency Agreement”**). The Perpetual Securityholders and the holders (the **“Couponholders”**) of the distribution coupons (the **“Coupons”**) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the **“Talons”**) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Calculation Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Calculation Agent, (c) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (d) the Transfer Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the specified office of the Trustee for the time being and at the respective specified offices of the Issuing and Paying Agents for the time being upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the **“Perpetual Securities”**) are issued in bearer form (**“Bearer Perpetual Securities”**) or in registered form (**“Registered Perpetual Securities”**), in each case in the Denomination Amount shown on the face of the Perpetual Security. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown in its terms).

- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

- (i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear and/or Clearstream, the Depository and/or such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, the Depository and/or such other clearing system. For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, distribution and any other amounts in respect of the Perpetual Security

shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).

- (iv) In these Conditions, **“Global Security”** means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, **“Global Certificate”** means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, (2) the Depository and/or (3) any other clearing system, **“Perpetual Securityholder”** means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and **“holder”** (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name the relevant Registered Perpetual Security is registered (as the case may be), **“Series”** means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and **“Tranche”** means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities

Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities

Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar, at the cost and expense of the Issuer, to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities

In the case of an exercise of an Issuer's option in respect of, or a partial redemption of or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the Perpetual Securityholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Perpetual Securityholder of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) Senior Perpetual Securities

This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Subordinated Perpetual Securities

This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) Status of Subordinated Perpetual Securities

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, “**Parity Obligation**” means (1) any instrument or security (including without limitation any preferred units) issued, entered into or guaranteed by the Issuer (A) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with an CapitaLand Ascott REIT Notional Preferred Unit (as defined below) and (B) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof or (2) as otherwise specified in the applicable Pricing Supplement.

(ii) Ranking of claims on Winding-Up

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 9(a)) of the Issuer or CapitaLand Ascott REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the Issuer or CapitaLand Ascott REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CapitaLand Ascott REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**CapitaLand Ascott REIT Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of the Issuer or CapitaLand Ascott REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or CapitaLand Ascott REIT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a)) of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive

in respect of each CapitaLand Ascott REIT Notional Preferred Unit on a return of assets in such Winding-Up of the Issuer or CapitaLand Ascott REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

(iii) No set-off

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up of the Issuer or CapitaLand Ascott REIT, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CapitaLand Ascott REIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CapitaLand Ascott REIT) and accordingly any such discharge shall be deemed not to have taken place.

(c) Winding-Up of the Issuer

For the purposes of these Conditions (which for the avoidance of doubt, includes Condition 3(b), Condition 4(IV)(e) and Condition 9), any reference to the Winding-Up of the Issuer shall only apply in the circumstances where (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of DBS Trustee Limited affecting its role as trustee of CapitaLand Ascott REIT (or of any previous replacement or substitute trustee of CapitaLand Ascott REIT) and (ii) the replacement or substitute trustee of CapitaLand Ascott REIT is not appointed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed (as defined in the Trust Deed) or by a court of competent jurisdiction within six months of such order or resolution; provided that nothing in this Condition 3(c) or these Conditions shall prevent the taking of any steps by the Trustee or, as the case may be, the Perpetual Securityholders or Couponholders, in such Winding-Up of the Issuer (including but not limited to the proving in such Winding-Up) within any prescribed time limit (if such time limit falls within six months of such order or resolution of the Winding-Up) as stipulated under any applicable laws, order of court or which may otherwise be imposed by the relevant legislative body, court, governmental agency, regulatory authority, or a liquidator, receiver, judicial manager, administrator or other officer acting on behalf of DBS Trustee Limited (or of any replacement or substitute trustee of CapitaLand Ascott REIT) in such Winding-Up at the appropriate juncture, but not well in advance of the expiry of such applicable time period.

(d) Final and effective Winding-Up

For the purposes of these Conditions (which, for the avoidance of doubt, includes Condition 3(b) and Condition 4(IV)(e)), any reference to “Winding-Up” being “final and effective” shall refer to any order, resolution, declaration or other determination for an effective Winding-Up which has not been stayed, suspended or otherwise set-aside.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Rate of Distribution and Accrual

Subject to Condition 4(IV), each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(VI)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Rate of Distribution shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 4(VI)) shown on the face of the Perpetual Security.

(b) Rate of Distribution

The Rate of Distribution applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement),
 - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
 - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from, and including, the Distribution Commencement Date to, but excluding, the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from, and including, the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Rate of Distribution,

provided always that if Redemption upon a Cessation or Suspension of Trading Event (as defined in Condition 5(g)) is specified on the face of such Perpetual Security and a Cessation or Suspension of Trading Event Margin is specified in the applicable Pricing Supplement, in the event that a Cessation or Suspension of Trading Event has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Rate of Distribution shall be increased by the Cessation or Suspension of Trading Event Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or, if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

“Reset Determination Date” means the second business day prior to the relevant Reset Date (or such other date specified in the relevant Pricing Supplement);

“Reset Rate of Distribution” means the SORA OIS Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation or Suspension of Trading Event Margin (as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(I)(b) above; and

“SORA OIS Rate” means (A) the SORA-OIS reference rate for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement available on the “OTC SGD OIS” page on Bloomberg under “BGN” appearing under the column headed “Ask” (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Calculation Agent)) at the close of business on the Reset Determination Date, or (B) if a Benchmark Event has occurred in relation to the SORA OIS Rate, such rate as determined in accordance with Condition 4(V).

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Subject to Condition 4(IV), each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each Distribution Payment Date, unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Perpetual Security, in which case distribution (save for distribution in respect of the final Distribution Period (as defined below) which will be payable in arrear on the final Distribution Payment Date) will be payable in arrear on the last business day of the Delay Period as set out in the relevant Pricing Supplement following each Distribution Payment Date. Such Distribution Payment Date(s) is/are either shown on the face of such Perpetual Security as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown on the face of such Perpetual Security, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).

(b) Business Day Convention

If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(c) Rate of Distribution – Floating Rate Perpetual Securities

- (i) Subject to Condition 4(IV), each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being SORA (in which case such Perpetual Security will be a “**SORA Perpetual Security**”) or such other Benchmark as is set out on the face of such Perpetual Security or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The “Spread” and the “Step-Up Spread” are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:
 - (1) in the case of Floating Rate Perpetual Securities which are SORA Perpetual Securities, the Rate of Distribution for each Distribution Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Spread (if any) and the Step-Up Spread (if any).

The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows:

(A) If Compounded Daily SORA (“**Compounded Daily SORA**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Period shall be determined based on Compounded Daily SORA which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date in accordance with one of the formulas referenced below depending upon which Observation Method is specified in the applicable Pricing Supplement.

(aa) where “Lockout” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards;

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

“**Distribution Determination Date**” means the Singapore Business Day immediately following the Rate Cut-off Date, unless otherwise specified in the relevant Pricing Supplement;

“**i**”, for the relevant Distribution Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

“**n_i**”, for any Singapore Business Day “**i**”, is the number of calendar days from (and including) such Singapore Business Day “**i**” up to (but excluding) the following Singapore Business Day;

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means, with respect to a Rate of Distribution and Distribution Period, the date falling “**p**” Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “**i**”;

“**SORA_i**” means, in respect of any Singapore Business Day “**i**” falling in the relevant Distribution Period:

- I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and
- II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the “**Suspension Period SORA_i**”) (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA_i shall apply to each day falling in the relevant Suspension Period;

“**SORA Reset Date**” means, in relation to any Distribution Period, each Singapore Business Day during such Distribution Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Distribution Period; and

“**Suspension Period**” means, in relation to any Distribution Period, the period from (and including) the date falling “**p**” Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Distribution Payment Date of such Distribution Period.

(bb) where “Lookback” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_{i-p_{SBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

“**Distribution Determination Date**” means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

“**i**”, for the relevant Distribution Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

“**n_i**”, for any Singapore Business Day “**i**”, is the number of calendar days from (and including) such Singapore Business Day “**i**” up to (but excluding) the following Singapore Business Day;

“**Observation Period**” means, for the relevant Distribution Period, the period from, and including, the date falling “**p**” Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling “**p**” Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Singapore Business Days**” or “**SBD**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “**i**”; and

“**SORA_{i - p SBD}**” means, in respect of any Singapore Business Day “**i**” falling in the relevant Distribution Period, the reference rate equal to SORA in respect of the Singapore Business Day falling “**p**” Singapore Business Days prior to the relevant Singapore Business Day “**i**”.

(cc) where “Backward Shifted Observation Period” is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Observation Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Observation Period;

“Distribution Determination Date” means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

“ I ”, for the relevant Distribution Period, is a series of whole numbers from one to d_o , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

“ n_i ”, for any Singapore Business Day “ i ”, is the number of calendar days from (and including) such Singapore Business Day “ i ” up to (but excluding) the following Singapore Business Day;

“Observation Period” means, for the relevant Distribution Period, the period from, and including, the date falling “ p ” Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling “ p ” Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling “ p ” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“ p ” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“Singapore Business Days” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **“Relevant Screen Page”**) on the Singapore Business Day immediately following such Singapore Business Day “ i ”; and

“SORA _{i} ” means, in respect of any Singapore Business Day “ i ” falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(dd) where “Payment Delay” is specified as the Observation Method in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the

Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Period;

“**d_o**”, for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

“**Distribution Determination Date**” means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Distribution Period provided that the Distribution Determination Date with respect to the final Distribution Period will be the day falling one Singapore Business Day after the Rate-Cut Off Date, unless otherwise specified in the relevant Pricing Supplement;

“**i**”, for the relevant Distribution Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

“**n_i**”, for any day “**i**”, is the number of calendar days from (and including) such Singapore Business Day “**i**” up to (but excluding) the following Singapore Business Day;

“**p**” means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

“**Rate Cut-Off Date**” means the date that is “**p**” Singapore Business Days prior to the relevant redemption date, as applicable (or the date falling “**p**” Singapore Business Days prior to such earlier date, if any, on which the SORA Perpetual Securities become due and payable);

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “*t*”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such day “*t*”; and

“**SORA_t**” means, in respect of any Singapore Business Day “*t*” falling in the relevant Distribution Period, the reference rate equal to SORA in respect of that Singapore Business Day.

For the purposes of calculating Compounded Daily SORA with respect to the final Distribution Period ending on the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the Rate Cut-Off Date to (but excluding) the relevant redemption date shall be the level of SORA in respect of such Rate Cut-Off Date.

- (B) If SORA Index Average (“**SORA Index Average**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Period shall be determined based on the SORA Index Average which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1 \right) \times \left(\frac{365}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

“**d_c**” means the number of calendar days from (and including) the SORA Index_{Start} to (but excluding) the SORA Index_{End};

“**Singapore Business Days**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA Index” means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

- (i) if a Benchmark Event has not occurred, the “SORA Index Average” shall be calculated on any Distribution Determination Date with respect to a Distribution Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(II)(c)(ii)(1)(A)(cc), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Distribution Period that is used in the definition of SORA Index_{Start} as specified in the applicable Pricing Supplement; or
- (ii) if a Benchmark Event has occurred, the provisions set forth in Condition 4(V) shall apply;

“SORA Index_{End}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the last date of the relevant Distribution Period;

“SORA Index_{Start}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Period; and

“SORA Index Determination Time” means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

- (C) If, subject to Condition 4(V), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day “*t*”, SORA in respect of such day “*t*” has not been published and a Benchmark Event has not occurred, then SORA for that day “*t*” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.
- (D) In the event that the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(V), the Rate of Distribution shall be:
 - I. that determined as at the last preceding Distribution Determination Date or, as the case may be, Rate Cut-off Date (though substituting, where a different Spread (if any), Step-Up Spread (if any) or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Spread, Step-Up Spread or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution

Period in place of the Spread, Step-Up Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period); or

- II. if there is no such preceding Distribution Determination Date or, as the case may be, Rate Cut-off Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Securities for the first Distribution Period had the Perpetual Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Spread, Step-Up Spread or Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Period (if any)).

If the relevant Series of Perpetual Securities become due and payable in accordance with Condition 9, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Distribution on such Perpetual Securities shall, for so long as any such Perpetual Security remains outstanding, be that determined on such date.

- (2) in the case of Floating Rate Perpetual Securities which are not SORA Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

- (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

- (B) if paragraph (c)(ii)(2)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (c)(ii)(2)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
 - (C) if paragraph (c)(ii)(2)(B) applies and fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date; and
 - (D) if the Rate of Distribution for a Distribution Period is unable to be determined in accordance with paragraphs (c)(ii)(2)(A) to (c)(ii)(2)(C) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (c)(ii)(2)(A), (c)(ii)(2)(B) or (c)(ii)(2)(C) above shall have applied.
- (iii) On the last day of each Distribution Period (except as otherwise specified in the applicable Pricing Supplement), the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
 - (iv) For the avoidance of doubt, in the event that the Rate of Distribution as determined in accordance with the foregoing in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.
 - (v) If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(c) is less than such Minimum Rate of Distribution, the rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution.
 - (vi) If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(c) is more than such Maximum Rate of Distribution the rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(III) Calculations

(a) Determination of Rate of Distribution, Reset Rate of Distribution and Calculation of Distribution Amounts etc

The Calculation Agent shall, as soon as practicable on each Distribution Determination Date or Reset Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Period, calculate the applicable Reset Rate of Distribution, calculate the Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be. The amount of distribution payable per Calculation Amount in respect of any

Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Perpetual Securityholders.

(b) Accrual of Distribution

Distribution will cease to accrue on each Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the Rate of Distribution and in the manner provided in this Condition 4 to (but excluding) the Relevant Date (as defined in Condition 7).

(c) Notification

The Calculation Agent will cause the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. The Issuing and Paying Agent will also cause the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Perpetual Securities, the Rate of Distribution, the Reset Rate of Distribution and Distribution Amounts payable in respect of the Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution, the Reset Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(d) Failure to Determine or Calculate Rate of Distribution or Reset Rate of Distribution

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution or, as the case may be, Reset Rate of Distribution for a Distribution Period or any Distribution Amount, the Issuer shall notify the Trustee and the Issuing and Paying Agent of this failure and as soon as reasonably practicable appoint an alternative Calculation Agent. In doing so, the alternative Calculation Agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall in its sole opinion deem fair and reasonable in all the circumstances. If the Issuer fails to so appoint, the Perpetual Securities will, for the relevant Distribution Period, bear distribution at the rate in effect for the last preceding Distribution Period to which Condition 4(II) above shall have applied and the Issuing and Paying Agent will determine the relevant Distribution Amount.

(e) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security that is not a SORA Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, if provision is made for them hereon and so long as any Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution or, as the case may be, Reset Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts or the Redemption Amount, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out on the face of the relevant Perpetual Security, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out on the face of the relevant Perpetual Security, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott REIT Group (as defined in the Trust Deed), (2) as a result of the exchange or conversion of the Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

- (1) **“Junior Obligation”** means the ordinary units of CapitaLand Ascott REIT and any class of equity capital in CapitaLand Ascott REIT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of CapitaLand Ascott REIT; and
- (2) **“Specified Parity Obligations”** means (A) any instrument or security (including without limitation any preference units) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof or (B) as otherwise specified in the applicable Pricing Supplement.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No Obligation to Pay

If Optional Payment is set out on the face of the relevant Perpetual Security and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

- (i) If Non-Cumulative Deferral is set out on the face of the relevant Perpetual Security, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (**“Optional Distribution”**) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

- (ii) If Cumulative Deferral is set out on the face of the relevant Perpetual Security, any distribution deferred pursuant to this Condition 4(IV) shall constitute **“Arrears of Distribution”**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of

Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

- (iii) If Additional Distribution is set out on the face of the relevant Perpetual Security, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out on the face of the relevant Perpetual Security and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not, and shall procure that none of the subsidiaries of CapitaLand Ascott REIT shall, in respect of the Issuer’s Junior Obligations or the Issuer’s Specified Parity Obligations:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the CapitaLand Ascott REIT Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of CapitaLand Ascott REIT to do so) by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 15 business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 or on a final and effective Winding-Up of the Issuer or CapitaLand Ascott REIT.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

(V) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(V)(b)) and an Adjustment Spread, if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)) by no later than five Business Days prior to the relevant Reset Determination Date or (as the case may be) Distribution Determination Date (or such other date as may be agreed between the Issuer and the Calculation Agent) (the “**IA Determination Cut-off Date**”). An Independent Adviser appointed pursuant to this Condition 4(V) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or

fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Perpetual Securityholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(V).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4(V)(b)) and an Adjustment Spread, if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)), provided that if the Issuer is unable to or does not determine the Benchmark Replacement by five business days prior to the relevant Reset Determination Date in respect of a Reset Date (the “**Original Reset Date**”) or (as the case may be) Distribution Determination Date, the Rate of Distribution applicable to the relevant current Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Step-Up Margin, Cessation or Suspension of Trading Event Margin, Spread or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Step-Up Margin, Cessation or Suspension of Trading Event Margin, Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Step-Up Margin, Cessation or Suspension of Trading Event Margin, Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period or (in the case where no Step-Up Margin or Cessation or Suspension of Trading Event Margin applied in the last preceding Distribution Period and a Step-Up Margin or Cessation or Suspension of Trading Event Margin is to be applied to the relevant Distribution Period), such Step-Up Margin or Cessation or Suspension of Trading Event Margin shall be applied to the relevant Distribution Period. The foregoing shall (other than in the case of Fixed Rate Perpetual Securities) apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(V)(a), and (in the case of Fixed Rate Perpetual Securities) apply to the relevant next Distribution Period falling immediately after the Original Reset Date only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(V)(a), and (in the case of Fixed Rate Perpetual Securities) such relevant Reset Date shall be adjusted so that it falls on the Distribution Payment Date immediately after the Original Reset Date (the “**Adjusted Reset Date**”). For the avoidance of doubt, (1) this paragraph shall apply, *mutatis mutandis*, to each Adjusted Reset Date until the Benchmark Replacement is determined in accordance with this Condition 4(V)(a) and (2) notwithstanding any other provisions of this Condition 4(V)(a), the Reset Dates falling after any Adjusted Reset Date shall continue to fall on the dates falling every Reset Period after the First Reset Date (subject to adjustment pursuant to this Condition 4(V)(a)) and the Reset Period shall remain unchanged.

(b) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) shall (subject to adjustments as provided in Condition 4(V)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(V)).

(c) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (A) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(d) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(V)(e), without any requirement for the consent or approval of Perpetual Securityholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent of a certificate signed by the duly authorised signatory(ies) of the Issuer pursuant to Condition 4(V)(e), the Trustee and the Issuing and Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and the Agency Agreement), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(V). Perpetual Securityholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 4(V)(d), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(V) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Perpetual Securityholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate addressed to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and signed by the duly authorised signatory(ies) of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Benchmark Replacement, (3) where applicable, any Adjustment Spread and/or (4) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(V); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent and the Perpetual Securityholders and the Couponholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(V)(a), 4(V)(b), 4(V)(c) and 4(V)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4, as applicable, will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(V)(e).

(g) Definitions

As used in this Condition 4(V):

“Adjustment Spread” means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or
- (2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities; or
- (4) if no such industry standard is recognised or acknowledged, the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines in accordance with Condition 4(V)(b) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the local or international debt capital markets for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities (including, but not limited to applicable government bonds) or, if the Independent Adviser or the Issuer determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as the case may be) determines (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate;

“Benchmark Amendments” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Distribution Period”, timing and frequency of determining rates and making payments of distribution, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Reset Period or, as the case may be, the Distribution Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser

or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is reasonably necessary);

“Benchmark Event” means one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder or Couponholder using the Original Reference Rate; or
- (vi) a public statement by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur:

- (1) in the case of paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;
- (2) in the case of paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and
- (3) in the case of paragraph (vi) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

“Benchmark Replacement” means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Reset Determination Date or (as the case may be) Distribution Determination Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be):

- (i) Identified SORA;
- (ii) the Successor Rate;
- (iii) the ISDA Fallback Rate; and
- (iv) the Alternative Rate;

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“Identified SORA” means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been (i) selected or recommended by the Relevant Nominating Body, or (ii) determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated securities;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(V)(a);

“Interpolated Benchmark” with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (ii) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution (or any component part thereof) on the Perpetual Securities, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally published, endorsed, approved, recognised or recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenor.

(VI) Definitions

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Perpetual Security, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream and the Depository, as applicable, are operating, (b) a day on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent’s specified office and (c) (if a payment is to be made on that day):

- (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day on which banks and foreign exchange markets are open for general business in Singapore;
- (ii) (in the case of Perpetual Securities denominated in Euros) a day on which the T2 is open for settlement in Euros;
- (iii) (in the case of Perpetual Securities denominated in Renminbi) a day on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and
- (iv) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown in the terms thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of distribution in accordance with Condition 5:

- (a) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 (or, if any portion of that Distribution Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Distribution Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Distribution Period falling in a non-leap year divided by 365);
- (b) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period in respect of which payment is being made divided by 360;
- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period in respect of which payment is being made divided by 365; and
- (d) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Distribution Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Distribution Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Distribution Period falls;

“D₁” is the first calendar day, expressed as a number, of the Distribution Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

“Distribution Amount” means, in respect of a Distribution Period, the amount of distribution payable per Calculation Amount for that Distribution Period;

“Distribution Commencement Date” means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

“Distribution Determination Date” means, (a) in the case of Fixed Rate Perpetual Securities, each Step-Up Date, each Reset Date or (if a Cessation or Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date) and (b) in the case of Floating Rate Perpetual Securities, in respect of any Distribution Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“Distribution Period” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date;

“Euro” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“Offshore Renminbi Centre” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“Primary Source” means (a) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (**“Reuters”**)) agreed to by the Calculation Agent or (b) the Reference Banks, as the case may be;

“Rate of Distribution” means the rate of distribution payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions hereon;

“Reference Banks” means the institutions specified as such on the face of the relevant Perpetual Security or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Perpetual Securities are denominated;

“Relevant Financial Centre” means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

“Relevant Time” means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Renminbi” means the lawful currency of the People’s Republic of China;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters and Bloomberg agency) as may be specified on the face of the Perpetual Security for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided on the face of the relevant Perpetual Security, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer’s Redemption Option Period shown on the face of the relevant Perpetual Security, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) to the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided on the face of the relevant Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore ("ITA") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, and the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will be subject to withholding tax in Singapore when paid to persons not tax resident in Singapore (other than Singapore branches of foreign companies); or
 - (2) the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA, and such distributions will be subject to withholding tax in Singapore when paid to persons not tax resident in Singapore (other than Singapore branches of foreign companies); or
- (ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations or administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations or administrative pronouncements promulgated thereunder by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and publication of any judicial decision or regulatory determination) which amendment or change is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (3) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations or administrative pronouncements promulgated thereunder that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

- (1) a certificate signed by a director or a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (2) in the case of a notice of redemption pursuant to Condition 5(c)(i), a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(c)(i) or, in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax,

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate, and ruling or opinion (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(c).

References in this Condition 5(c) to “independent tax or legal advisers of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s, CapitaLand Ascott REIT’s or the CapitaLand Ascott REIT Manager’s (as defined in the Trust Deed) usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer, CapitaLand Ascott REIT or the CapitaLand Ascott REIT Manager in connection with the issue and offering of the Perpetual Securities.

(d) Redemption for Accounting Reasons

The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the “**SFRS**”) or as the case may be, the Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council (as amended from time to time, the “**SFRS (I)**”) or any other accounting standards that may replace SFRS or, as the case may be, SFRS(I) for the purposes of the consolidated financial statements of CapitaLand Ascott REIT (the “**Relevant Accounting Standard**”), the Perpetual Securities will not or will no longer be recorded as “equity” of CapitaLand Ascott REIT pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

- (i) a certificate, signed by a director or a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect,

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided in the terms of the relevant Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the terms of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption):

- (i) if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

- (ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (A) a certificate, signed by a director or a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer’s independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect or, in the case of a notice of redemption pursuant to Condition 5(e)(ii), a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(e)(ii),

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate, and opinion or ruling (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided on the face of the relevant Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon Cessation or Suspension of Trading of Units

If so provided in the terms of the relevant Perpetual Security, in the event that (i) (for so long as the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are Stapled) the Stapled Units or (ii) (in the case where the CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units are not Stapled) the CapitaLand Ascott REIT Units cease to be listed and/or traded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) or trading in the Stapled Units or, as the case may be, the CapitaLand Ascott REIT Units on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days (each, a “**Cessation or Suspension of Trading Event**”), the Perpetual Securities may be redeemed

at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if earlier, the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption). The Issuer shall forthwith (and in any event not later than seven days after the Effective Date) notify the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders of such cessation or listing or trading and the proposed date of redemption of the Perpetual Securities.

For the purposes of this Condition 5(g):

- (i) **“CapitaLand Ascott REIT Units”, “CapitaLand Ascott BT Units”, “Stapled” and “Stapled Units”** bear the same meanings as ascribed to them in the Trust Deed;
- (ii) **“Effective Date”** means (in the case where the Stapled Units or CapitaLand Ascott REIT Units cease to be listed and/or traded on the SGX-ST) the date of cessation of listing or, as the case may be, trading or (in the case where trading in the Stapled Units or CapitaLand Ascott REIT Units on the SGX-ST is suspended for a continuous period of more than 10 consecutive market days) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (iii) **“market day”** means a day on which the SGX-ST is open for securities trading.

(h) Redemption upon a Regulatory Event

If so provided on the face of the relevant Perpetual Security, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their Redemption Amount, together with distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix (a **“Regulatory Event”**), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (i) a certificate, signed by a director or a duly authorised officer of the Issuer or a director or a duly authorised officer of the CapitaLand Ascott REIT Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer’s independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect,

and the Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(h).

For the purposes of this Condition 5(h):

- (1) **“Aggregate Leverage”** means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix; and
- (2) **“Property Funds Appendix”** means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore, as amended or modified from time to time.

References in this Condition 5(h) to “independent legal adviser of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s, CapitaLand Ascott REIT’s or the CapitaLand Ascott REIT Manager’s usual legal advisers, or any such adviser who may have tendered professional services to the Issuer, CapitaLand Ascott REIT or the CapitaLand Ascott REIT Manager in connection with the issuer and offering of the Perpetual Securities.

(i) Redemption upon a Ratings Event

If so provided on the face of the relevant Perpetual Security, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), at their Redemption Amount (together with distribution (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined below) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and, in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Prior to the publication of any notice of redemption pursuant to this Condition 5(i), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Issuing and Paying Agent a certificate, signed by a director or a duly authorised officer of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances.

The Trustee and the Issuing and Paying Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon expiry of any such notice as is referred to in this Condition 5(i), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(i).

For the purposes of this Condition 5(i), “**Rating Agency**” means Fitch Ratings, Moody’s Investor Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., or any of their respective successors.

(j) Purchases

The Issuer and/or any of the related corporations of CapitaLand Ascott REIT may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of CapitaLand Ascott REIT shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer and/or any of the related corporations of CapitaLand Ascott REIT may be surrendered by the purchaser to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(k) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of the related corporations of CapitaLand Ascott REIT may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or, as the case may be, Coupons:

- (i) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
- (ii) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Distribution in respect of Registered Perpetual Securities

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Payments of distribution on Registered Perpetual Securities shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made:
 - (A) (in the case of a currency other than Renminbi) by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and
 - (B) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law, regulation or directive implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents, transfer agents or registrars, provided that it will at all times maintain an Issuing and Paying Agent, a Calculation Agent, a Transfer Agent in relation to Registered Perpetual Securities and a Registrar in relation to Registered Perpetual Securities.

Notice of any such change or any change of any specified office will be promptly given to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by, *inter alios*, the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which, *inter alios*, the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent,

the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of, *inter alios*, the Issuer and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore, otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirements or by making or procuring the making of a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Perpetual Security or Coupon is presented for payment.

Notwithstanding any other provisions of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Perpetual Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Where the Perpetual Securities issued by the Issuer are not recognised as debt securities for Singapore income tax purposes, all payments, or part thereof, of Distributions and Optional Distributions in respect of the Perpetual Securities by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the Issuer shall not be under any obligation to pay any additional amounts as will result in receipt by the holders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, judicial management, administration or similar proceedings (the “**Winding-Up**”) in respect of CapitaLand Ascott REIT is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the Issuer and/or CapitaLand Ascott REIT or (ii) the Issuer does not pay any principal, distribution or other amount payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for 15 business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of CapitaLand Ascott REIT, prove in the Winding-Up of the Issuer and/or CapitaLand Ascott REIT and/or claim in the liquidation of the Issuer and/or CapitaLand Ascott REIT for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-Up of CapitaLand Ascott REIT or claim in the liquidation of the Issuer or CapitaLand Ascott REIT or to prove in such Winding-Up of the Issuer or CapitaLand Ascott REIT unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities (as applicable) or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

(g) Damages subject to Subordination

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 9.3 of the Trust Deed.

10. Meeting of Perpetual Securityholders, Modifications and Substitutions

(a) Meeting of Perpetual Securityholders and modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified on the face of such Perpetual Securities may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution or (h) to amend the subordination provisions of the Perpetual Securities, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is to cure any ambiguity or of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream and/or the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified by the Issuer to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

(b) Substitution

The Issuer may substitute in place of DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (or of any previous substitute under this Condition) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of CapitaLand Ascott REIT (such substituted company being hereinafter called the “**New CapitaLand Ascott REIT Trustee**”) in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, subject to:

- (i) the Trustee being provided with evidence to its satisfaction that the appointment of the New CapitaLand Ascott REIT Trustee has been completed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed, including a copy of the deed supplemental to the CapitaLand Ascott REIT Trust Deed providing for such appointment, a confirmation from the CapitaLand Ascott REIT Manager that the Deposited Property (as defined in the CapitaLand Ascott REIT Trust Deed) has been vested in the New CapitaLand Ascott REIT Trustee, and an opinion from independent legal advisors of recognised standing to the effect such appointment of the New CapitaLand Ascott REIT Trustee is legal, valid and binding on CapitaLand Ascott REIT; and
- (ii) certain other conditions set out in the Trust Deed being complied with.

The Issuer shall deliver to the Trustee a certificate signed by a duly authorised signatory of the Issuer or, as the case may be, of the CapitaLand Ascott REIT Manager stating that the appointment of the New CapitaLand Ascott REIT Trustee has been completed in accordance with the terms of the CapitaLand Ascott REIT Trust Deed and that the conditions set out in the Trust Deed for the substitution of the CapitaLand Ascott REIT Trustee have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

Upon the execution of such documents and compliance with such requirements, the New CapitaLand Ascott REIT Trustee shall be deemed to be named in the Perpetual Securities, the Coupons and the Trust Deed as the principal debtor in place of DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) (or in place of the previous substitute under this clause) under the Perpetual Securities, the Coupons and the Trust Deed and the Perpetual Securities, the Coupons and the Trust Deed shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Perpetual Securities, the Coupons and the Trust Deed to DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) and/or the CapitaLand Ascott REIT Trustee shall, unless the context otherwise requires, be deemed to be or include references to the New CapitaLand Ascott REIT Trustee.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the

Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the related corporations of CapitaLand Ascott REIT without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where CapitaLand Ascott REIT is listed on the SGX-ST or where the Perpetual Securities are listed on the SGX-ST, notices to the holders of such Perpetual Securities shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the date on which the said

notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 14. In the case where notices to holders of Perpetual Securities are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above.

Until such time as any Definitive Perpetual Securities (as defined in the Trust Deed) or Certificate(s) are issued, there may, so long as the Global Security(ies) or Global Certificate(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, the Depository and/or any other clearing system, be substituted for such publication in such newspapers, such mailing or announcement on the SGX-ST, the delivery of the relevant notice to Euroclear, Clearstream, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, the Depository and/or such other clearing system.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Acknowledgement

(a) Capacity

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby agreed and acknowledged that DBST has entered into the Trust Deed only in its capacity as trustee of CapitaLand Ascott REIT and not in DBST's personal capacity and all references to the "Issuer" and the "CapitaLand Ascott REIT Trustee" shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, DBST has assumed all obligations under the Trust Deed, the Perpetual Securities and the Coupons in its capacity as trustee of CapitaLand Ascott REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by DBST under the Trust Deed, the Perpetual Securities and the Coupons, is given or to be given by DBST only in its capacity as trustee of CapitaLand Ascott REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of CapitaLand Ascott REIT over which DBST in its capacity as trustee of CapitaLand Ascott REIT has recourse and shall not extend to any personal or other assets of DBST or any assets held by DBST in its capacity as trustee of any other trust (other than CapitaLand

Ascott REIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by DBST under the Trust Deed, the Perpetual Securities and the Coupons shall only be in connection with matters relating to CapitaLand Ascott REIT (and shall not extend to DBST's obligations in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of DBST.

(b) No Recourse

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby acknowledged and agreed that the obligations of the CapitaLand Ascott REIT Trustee as an Issuer and/or the Guarantor under the Trust Deed, the Perpetual Securities and the Coupons will be solely the corporate obligations of DBST and there shall be no recourse against the shareholders, directors, officers or employees of DBST for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities and the Coupons. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of DBST.

(c) Legal Action or Proceedings

For the avoidance of doubt, any legal action or proceedings commenced against the CapitaLand Ascott REIT Trustee as an Issuer and/or the Guarantor whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities and the Coupons shall be brought against DBST in its capacity as trustee of CapitaLand Ascott REIT and not in its personal capacity. The foregoing shall not restrict or prejudice any rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders in connection with any gross negligence, fraud, wilful default or breach of trust of DBST.

(d) Survival of Provisions

This Condition shall survive the termination or rescission of the Trust Deed and the redemption or cancellation of the Perpetual Securities and/or the Coupons and shall apply, *mutatis mutandis*, to any notice, certificate or other document which the CapitaLand Ascott REIT Trustee as an Issuer and/or the Guarantor issues under or pursuant to the Trust Deed and the Perpetual Securities as if expressly set out therein.

16. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the

benefit of the Trustee, the Perpetual Securityholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) No immunity

The Issuer irrevocably agrees that, should the Trustee take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that it and its assets and CapitaLand Ascott REIT and CapitaLand Ascott REIT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg

FORM OF PRICING SUPPLEMENT FOR NOTES

Pricing Supplement

[LOGO, if document is printed]

[Ascott REIT MTN Pte. Ltd.
(Incorporated with limited liability in Singapore)]*

[DBS Trustee Limited
(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust)]**

[CapitaLand Ascott Business Trust Management Pte. Ltd.
(in its capacity as trustee-manager of CapitaLand Ascott Business Trust)]***

[Legal entity identifier (LEI): [●]]

S\$2,000,000,000
Multicurrency Debt Issuance Programme

(in the case of Notes issued by Ascott REIT MTN Pte. Ltd.)
unconditionally and irrevocably guaranteed by
DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott Real Estate Investment
Trust)

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer(s)]

[CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP
Registrar

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Non-CDP Registrar and Non-CDP Transfer Agent
The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg]

The date of this Pricing Supplement is [●].

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the “**Notes**”) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 4 July 2024 (the “**Information Memorandum**”) issued in relation to the S\$2,000,000,000 Multicurrency Debt Issuance Programme of Ascott REIT MTN Pte. Ltd. [(the “**Issuer**”)]*, DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) [(the “**Issuer**”)]**, and CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott Business Trust) [(the “**Issuer**”)]*** and, in the case of the Notes issued by Ascott REIT MTN Pte. Ltd., unconditionally and irrevocably guaranteed by DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) [(the “**Guarantor**”)]*. Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the “**Income Tax Act**”) shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

[Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]****

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties

and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]*****

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]*****

[ASCOTT REIT MTN PTE. LTD.

Signed: _____
Director]*

[DBS TRUSTEE LIMITED

(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust)

(as Issuer)

Signed: _____
Authorised Signatory

Signed: _____
Authorised Signatory]**

[CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.]

(in its capacity as trustee-manager of CapitaLand Ascott Business Trust)

Signed: _____

Director]**

[DBS TRUSTEE LIMITED]

(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust)

(as Guarantor)

Signed: _____

Authorised Signatory

Signed: _____

Authorised Signatory]**

* Insert if Issuer is Ascott REIT MTN Pte. Ltd.

** Insert if Issuer is DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT).

*** Insert if Issuer is CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT).

**** To be included if the Notes are offered to persons who are not (i) institutional investors (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore) or (ii) accredited investors (as defined in Section 4A of the SFA).

***** Legend to be included if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

***** Legend to be included if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

The terms of the Notes and additional provisions relating to their issue are as follows:

[Include whichever of the following apply]

1. Issuer: [Ascott REIT MTN Pte. Ltd./DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT)/CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT)]
2. Guarantor: [DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT)/Not Applicable]
3. Series No.: [●]
4. Tranche No.: [●]
5. Currency: [●]
6. Principal Amount of Series: [●]
7. Principal Amount of Tranche: [●]
8. Denomination Amount: [●]
9. Calculation Amount (if different from Denomination Amount): [●]
10. Issue Date: [●]
11. Trade Date: [●]
12. Redemption Amount (including early redemption): [Denomination Amount/[others]]
[Specify early redemption amount if different from final redemption amount or if different from that set out in the terms and conditions of the Notes]
13. Interest Basis: [Fixed Rate/Floating Rate/Variable Rate/Hybrid/Zero Coupon]
14. Interest Commencement Date: [●]
15. Fixed Rate Note
 - (a) Maturity Date: [●]
 - (b) Day Count Fraction: [●]
 - (c) Interest Payment Date(s): [●]
 - (d) Initial Broken Amount: [●]

- (e) Final Broken Amount: [●]
- (f) Rate of Interest: [●] per cent. per annum
16. Floating Rate Note
- (a) Redemption Month: [month and year]
- (b) Interest Determination Date: [●]
- (c) Day Count Fraction: [●]
- (d) Specified Number of Months (Interest Period): [●]
- (e) Specified Interest Payment Dates: [●]
- (f) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (give details)]
- (g) Benchmark: Compounded Daily SORA, SORA Index
Average or other benchmark *(Only applicable
where the Reference Rate is SORA)*
- (h) Observation Method: Lockout (Condition 5(II)(c)(ii)(1)(A)(aa))/
Lookback (Condition 5(II)(c)(ii)(1)(A)(bb))/
Backward Shifted Observation Period
(Condition 5(II)(c)(ii)(1)(A)(cc))

*(Only applicable where the Benchmark is
Compounded Daily SORA)*
- (i) SORA Index_{Start}: [Not Applicable/[●] Business Day(s)]

*(Only applicable in the case of SORA Index
Average)*
- (j) SORA Index_{End}: [Not Applicable/[●] Business Day(s)]

*(Only applicable in the case of SORA Index
Average. Note that Interest Determination Date
should fall at least 5 Business Days prior to the
Interest Payment Date unless otherwise agreed
with the Agent Bank and Issuing and Paying
Agent)*
- (k) Party responsible for calculating
the rate of interest: [Calculation Agent]/[●]

- (l) “p”:
- [●] (*Only applicable where the Benchmark is Compounded Daily SORA*)
- (where “p” should be for a period no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)
- (m) Payment Delay Condition 5(II)(c)(ii)(1)(A)(dd):
- [Applicable/Not Applicable]
- (*Only applicable where the Benchmark is Compounded Daily SORA*)
- (n) Delay Period:
- [●] Business Days (*no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent*)
- (o) Primary Source:
- [Specify relevant screen page or “Reference Banks”]
- (p) Reference Banks:
- [Specify three]
- (q) Relevant Time:
- [●]
- (r) Relevant Financial Centre:
- [The financial centre most closely connected to the Benchmark – specify if not Singapore]
- (s) Spread:
- [+/-] [●] per cent. per annum
- (t) Minimum Rate of Interest:
- [●] per cent. per annum
- (u) Maximum Rate of Interest:
- [●] per cent. per annum
- (v) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
- [Condition 5(VI) (*Benchmark Discontinuation and Replacement*)/specify other if different from those set out in the Conditions]

17. Variable Rate Note

- (a) Redemption Month:
- [month and year]
- (b) Interest Determination Date:
- [●]
- (c) Day Count Fraction:
- [●]
- (d) Specified Number of Months (Interest Period):
- [●]
- (e) Specified Interest Payment Dates:
- [●]

- (f) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (g) Benchmark: Compounded Daily SORA, SORA Index Average or other benchmark
- (Only applicable where the Reference Rate is SORA)*
- (h) Observation Method: Lockout (Condition 5(II)(c)(ii)(1)(A)(aa))/ Lookback (Condition 5(II)(c)(ii)(1)(A)(bb))/ Backward Shifted Observation Period (Condition 5(II)(c)(ii)(1)(A)(cc)) *(Only applicable where the Benchmark is Compounded Daily SORA)*
- (i) SORA Index_{Start}: [Not Applicable/[●] Business Day(s)]
- (Only applicable in the case of SORA Index Average)*
- (j) SORA Index_{End}: [Not Applicable/[●] Business Day(s)]
- (Only applicable in the case of SORA Index Average. Note that Interest Determination Date should fall at least 5 Business Days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)*
- (k) Party responsible for calculating the rate of interest: [Calculation Agent]/[●]
- (l) “p”: [●] *(Only applicable where the Benchmark is Compounded Daily SORA)*
- (where “p” should be for a period no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)*
- (m) Payment Delay Condition 5(II)(c)(ii)(1)(A)(dd): [Applicable/Not Applicable]
- (Only applicable where the Benchmark is Compounded Daily SORA)*
- (n) Delay Period: [●] Business Days (no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)

(o) Primary Source:	[Specify relevant screen page or “Reference Banks”]
(p) Reference Banks:	[Specify three]
(q) Relevant Time:	[●]
(r) Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – specify if not Singapore]
(s) Spread:	[+/-] [●] per cent. per annum
(t) Minimum Rate of Interest:	[●] per cent. per annum
(u) Maximum Rate of Interest:	[●] per cent. per annum
18. Hybrid Note
- | | |
|--|--|
| (a) Fixed Rate Period: | [●] |
| (b) Floating Rate Period: | [●] |
| (c) Maturity Date: | [●] |
| (d) Redemption Month: | [month and year] |
| (e) Interest Determination Date: | [●] |
| (f) Day Count Fraction: | [●] |
| (g) Interest Payment Date(s): (for Fixed Rate Period) | [●] |
| (h) Initial Broken Amount: | [●] |
| (i) Final Broken Amount: | [●] |
| (j) Rate of Interest: | [●] per cent. per annum |
| (k) Specified Number of Months (Interest Period): | [●] |
| (l) Specified Interest Payment Dates: (for Floating Rate Period) | [●] |
| (m) Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)] |
| (n) Benchmark: | [Compounded Daily SORA, SORA Index Average or other benchmark] |

- (o) Observation Method: Lockout (Condition 5(II)(c)(ii)(1)(A)(aa))/
Lookback (Condition 5(II)(c)(ii)(1)(A)(bb))/
Backward Shifted Observation Period
(Condition 5(II)(c)(ii)(1)(A)(cc))
- (p) SORA Index_{Start}: [Not Applicable/[●] Business Day(s)]

(Only applicable in the case of SORA Index Average)
- (q) SORA Index_{End}: [Not Applicable/[●] Business Day(s)]

(Only applicable in the case of SORA Index Average. Note that Interest Determination Date should fall at least 5 Business Days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)
- (r) Party responsible for calculating the rate of interest: [Calculation Agent]/[●]
- (s) “p”: [●] *(Only applicable where the Benchmark is Compounded Daily SORA)*

(where “p” should be for a period no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)
- (t) Payment Delay Condition 5(II)(c)(ii)(1)(A)(dd): [Applicable/Not Applicable] *(Only applicable where the Benchmark is Compounded Daily SORA)*
- (u) Delay Period: [●] Business Days *(no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)*
- (v) Primary Source: [specify relevant screen page or “Reference Banks”]
- (w) Relevant Time: [●]
- (x) Relevant Financial Centre: [The financial centre most closely connected to the Benchmark – specify if not Singapore]
- (y) Reference Banks: [specify three]
- (z) Spread: [+/-] [●] per cent. per annum
- (aa) Minimum Rate of Interest: [●] per cent. per annum
- (bb) Maximum Rate of Interest: [●] per cent. per annum

- (cc) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Hybrid Notes during the Floating Rate Period, if different from those set out in the Conditions: *[Condition 5(VI) (Benchmark Discontinuation and Replacement)/specify other if different from those set out in the Conditions]*
19. Zero Coupon Note
- (a) Maturity Date: [●]
- (b) Amortisation Yield: [●] per cent. per annum
- (c) Any other formula/basis of determining amount payable: [●]
- (d) Day Count Fraction: [●]
- (e) Any amount payable under Condition 7(h) (Default interest on the Notes): [●]
20. Issuer's Redemption Option
Issuer's Redemption Option Period (Condition 6(d)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
21. Noteholders' Redemption Option
Noteholders' Redemption Option Period (Condition 6(e)(i)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]²
[Specify Dates]
22. Issuer's Purchase Option
Issuer's Purchase Option Period (Condition 6(b)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
23. Noteholders' Purchase Option
Noteholders' Purchase Option Period (Condition 6(c)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]²
[Specify Dates]
24. Redemption for Taxation Reasons (Condition 6(f)):
- [Yes/No]
[on [insert other dates of redemption not on interest payment dates]]¹
25. Redemption in the case of Minimal Outstanding Amount (Condition 6(k) of CapitaLand Ascott BT Notes/Condition 6(j) of CapitaLand Ascott REIT Notes):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]

¹ To specify a minimum of five business days in the case of Notes cleared through Clearstream and/or Euroclear.

² To specify a minimum of fifteen business days in the case of Notes cleared through Clearstream and/or Euroclear.

26. Form of Notes: [Bearer/Registered]
[Temporary Global Security exchangeable for
Definitive Securities/Temporary Global Security
exchangeable for Permanent Global Security/
Permanent Global Security/Global Certificate]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details.]
28. Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
29. Listing: [●]
30. ISIN Code: [●]
31. Common Code: [●]
32. Clearing System(s): [Not Applicable/Euroclear/Clearstream/ The
Central Depository (Pte) Limited] [other
clearing information]
33. Depository: [Common depository for Euroclear/
Clearstream/The Central Depository (Pte)
Limited/others]
34. Delivery: Delivery [against/free of] payment
35. Method of issue of Notes: [Individual Dealer/ Syndicated Issue]
36. The following Dealer(s) [is/are] subscribing the Notes: [insert legal name(s) of Dealer(s)]
37. Stabilising Manager: [Insert legal name(s) of Stabilising Manager(s)]
38. Prohibition of sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

39. Prohibition of sales to UK Retail Investors:	[Applicable/Not Applicable] <i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)</i>
40. U.S. Selling Restrictions:	Reg S, Category [1/2]
41. Ratings:	[Give Details]
42. Hong Kong SFC Code of Conduct	
(i) Rebates:	[A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMLs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
(ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]/[Not Applicable]
(iii) Marketing and Investor Targeting Strategy:	[if different from Information Memorandum]
43. Paying Agent:	[CDP Issuing and Paying Agent/Non-CDP Issuing and Paying Agent]
44. Registrar:	[●]/[Not Applicable]
45. Transfer Agent:	[●]/[Not Applicable]
46. The aggregate principal amount of Notes issued has been translated in Singapore dollars at the rate of [●] producing a sum of (for Notes not denominated in Singapore dollars):	US\$[●]

47. Use of proceeds: [●]

48. Private Bank Selling Commission: [Applicable/Not Applicable]

49. Other terms:

Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:

Any additions or variations to the selling restrictions:

FORM OF PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

Pricing Supplement

[LOGO, if document is printed]

[DBS Trustee Limited
(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust)]*

[CapitaLand Ascott Business Trust Management Pte. Ltd.
(in its capacity as trustee-manager of CapitaLand Ascott Business Trust)]**

[Legal entity identifier (LEI): [●]]

S\$2,000,000,000
Multicurrency Debt Issuance Programme

(in the case of Notes issued by Ascott REIT MTN Pte. Ltd.)
unconditionally and irrevocably guaranteed by
DBS Trustee Limited (in its capacity as trustee of
CapitaLand Ascott Real Estate Investment Trust)

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Perpetual Securities]

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer(s)]

[CDP Issuing and Paying Agent, CDP Calculation Agent,
CDP Transfer Agent and CDP Registrar
The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192]

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent
The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Non-CDP Registrar and Non-CDP Transfer Agent
The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg]

The date of this Pricing Supplement is [●].

This Pricing Supplement relates to the Tranche of Perpetual Securities referred to above.

This Pricing Supplement, under which the Perpetual Securities described herein (the “**Perpetual Securities**”) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 4 July 2024 (the “**Information Memorandum**”) issued in relation to the S\$2,000,000,000 Multicurrency Debt Issuance Programme of Ascott REIT MTN Pte. Ltd., DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT) [(the “**Issuer**”)]*, and CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott Business Trust) [(the “**Issuer**”)]**. Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Perpetual Securities will be issued on the terms of this Pricing Supplement read together with the Information Memorandum.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Perpetual Securities or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

[An advance tax ruling will be requested from the Inland Revenue Authority of Singapore (“**IRAS**”) to confirm, amongst other things, whether the IRAS would regard the Perpetual Securities as “debt securities” for the purposes of the Income Tax Act 1947 of Singapore (“**Income Tax Act**”) and the distributions (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) made under the Perpetual Securities as interest payable on indebtedness such that holders of the Perpetual Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section “Singapore Taxation” of the Information Memorandum provided that the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from the IRAS. In addition, no assurance is given that the Issuer can provide all information or documents requested by the IRAS for the purpose of the ruling request, and a ruling may not therefore be issued.

If the Perpetual Securities are not regarded as “debt securities” for the purposes of the Income Tax Act, the distributions (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) made under the Perpetual Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax exemptions and/or concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them (including Optional Distributions, Arrears of Distribution and Additional Distribution Amounts). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Perpetual Securities.]***

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium is derived from any of the Perpetual Securities by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions and if applicable) under the [Income Tax Act 1947 of Singapore (“**Income Tax Act**”)/Income Tax Act] shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

[Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Perpetual Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]****

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Perpetual Securities has led to the conclusion that: (i) the target market for the Perpetual Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Perpetual Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Perpetual Securities has led to the conclusion that: (i) the target market for the Perpetual Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Perpetual Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]*****

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or

regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the “**UK PRIIPs Regulation**”) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]*****

[DBS TRUSTEE LIMITED

(in its capacity as trustee of CapitaLand Ascott Real Estate Investment Trust)

(as Issuer)

Signed: _____

Authorised Signatory

Signed: _____

Authorised Signatory]*

[CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

(in its capacity as trustee-manager of CapitaLand Ascott Business Trust)

Signed: _____

Director]**

* Insert if Issuer is DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT).

** Insert if Issuer is CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT).

*** To be inserted where an advance ruling will be/is required from IRAS.

**** To be included if the Notes are offered to persons who are not (i) institutional investors (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore) or (ii) accredited investors (as defined in Section 4A of the SFA).

***** Legend to be included if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

***** Legend to be included if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

The terms of the Perpetual Securities and additional provisions relating to their issue are as follows:

[Include whichever of the following apply]

1. Issuer:	[DBS Trustee Limited (in its capacity as trustee of CapitaLand Ascott REIT)/CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of CapitaLand Ascott BT)]
2. Series No.:	[●]
3. Tranche No.:	[●]
4. Currency:	[●]
5. Principal Amount of Series:	[●]
6. Principal Amount of Tranche:	[●]
7. Denomination Amount:	[●]
8. Calculation Amount (if different from Denomination Amount):	[●]
9. Issue Date:	[●]
10. Trade Date:	[●]
11. Redemption Amount (including early redemption):	[Denomination Amount/[others]] [Specify early redemption amount if different from final redemption amount or if different from that set out in the terms and conditions of the Perpetual Securities]
12. Status of the Perpetual Securities:	[Senior Perpetual Securities/Subordinated Perpetual Securities]
13. Distribution Basis:	[Fixed Rate/Floating Rate]
14. Distribution Commencement Date:	[●]
15. Fixed Rate Perpetual Security	
(a) Day Count Fraction:	[●]
(b) Distribution Payment Date(s):	[●]
(c) Initial Broken Amount:	[●]
(d) Final Broken Amount:	[●]
(e) Rate of Distribution:	[●] per cent. per annum

- (f) First Reset Date: [●]
- (g) Reset Date: [●]
- (h) Initial Spread: [●]
- (i) Reset Period: [●]
- (j) Step-Up Margin: [●]
- (k) Step-up Date: [●]
- (l) Relevant Rate: [Specify benchmark, if not SORA OIS rate]
- (m) Reset Determination Date: [●]
- (n) Reference Banks: [Specify three]
- (o) Cessation or Suspension of Trading Event Margin: [●]

16. Floating Rate Perpetual Security

- (a) Distribution Determination Date: [●]
- (b) Day Count Fraction: [●]
- (c) Specified Number of Months (Distribution Period): [●]
- (d) Specified Distribution Payment Dates: [●]
- (e) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (give details)]
- (f) Benchmark: [Compounded Daily SORA, SORA Index
Average or other benchmark]
- (g) Observation Method: Lockout (Condition 4(II)(c)(ii)(1)(A)(aa))/
Lookback (Condition 4(II)(c)(ii)(1)(A)(bb))/
Backward Shifted Observation Period
(Condition 4(II)(c)(ii)(1)(A)(cc))

(Only applicable where the Benchmark is
Compounded Daily SORA)
- (h) SORA Index_{Start}: [Not Applicable/[●] Business Day(s)]

(Only applicable in the case of SORA Index
Average)

- (i) SORA Index_{End}: [Not Applicable/[●] Business Day(s)]
- (Only applicable in the case of SORA Index Average. Note that Interest Determination Date should fall at least 5 Business Days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)*
- (j) Party responsible for calculating the rate of interest: [Calculation Agent]/[●]
- (k) “p”: [●] *(Only applicable where the Benchmark is Compounded Daily SORA)*
- (where “p” should be for a period no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)*
- (l) Payment Delay Condition 4(II)(c)(ii)(1)(A)(dd): [Applicable/Not Applicable]
- (Only applicable where the Benchmark is Compounded Daily SORA)*
- (m) Delay Period: [●] Business Days *(no less than five Singapore Business Days unless otherwise agreed with the Calculation Agent and Issuing and Paying Agent)*
- (n) Primary Source: [Specify relevant screen page or “Reference Banks”]
- (o) Relevant Time: [●]
- (p) Relevant Financial Centre: [The financial centre most closely connected to the Benchmark – specify if not Singapore]
- (q) Reference Banks: [Specify three]
- (r) Spread: [+/-] [●] per cent. per annum
- (s) Step-up Spread: [+/-] [●] per cent. per annum
- (t) Fall back provisions, rounding provisions and any other terms relating to the method of calculating distribution on Floating Rate Perpetual Securities, if different from those set out in the terms and conditions of the Perpetual Securities: [Condition 4(V) (Benchmark Discontinuation and Replacement)/specify other if different from those set out in the Conditions]

- (u) Cessation or Suspension of Trading Event Margin [●]
17. Optional Payment: [●]
18. Dividend Pusher and Reference Period: [●] months
19. Dividend Stopper: [●]
20. Non-Cumulative Deferral: [●]
21. Cumulative Deferral: [●]
22. Additional Distribution: [●]
23. Issuer's Redemption Option Issuer's Redemption Option Period (Condition 5(b)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
24. Redemption for Taxation Reasons: (Condition 5(c)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
25. Redemption for Accounting Reasons (Condition 5(d)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
26. Redemption for Tax Deductibility (Condition 5(e)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
27. Redemption in the case of Minimal Outstanding Amount (Condition 5(f)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]¹
[Specify Dates]
28. Redemption upon Cessation or Suspension of Trading of Units (Condition 5(g)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]
[Specify Dates]
29. Redemption upon a Regulatory Event (Condition 5(h)):
- [Yes/No]
[Specify maximum and minimum number of days for notice period]
[Specify Dates]

¹ To specify a minimum of five business days in the case of Perpetual Securities cleared through Clearstream and/or Euroclear.

30. Redemption upon a Ratings Event (Condition 5(j)): [Yes/No]
[Specify maximum and minimum number of days for notice period]
[Specify Dates]
31. Form of Perpetual Securities: [Bearer/Registered]
[Temporary Global Security exchangeable for Definitive Securities/Temporary Global Security exchangeable for Permanent Global Security/Permanent Global Security/Global Certificate]
32. Talons for future Coupons to be attached to Definitive Securities: [Yes/No. If yes, give details.]
33. Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
34. Listing: [●]
35. ISIN Code: [●]
36. Common Code: [●]
37. Clearing System(s): [Not Applicable/Euroclear/ Clearstream/ The Central Depository (Pte) Limited] [other clearing information]
38. Depository: [Common depository for Euroclear/ Clearstream/The Central Depository (Pte) Limited/others]
39. Delivery: Delivery [against/free of] payment
40. Method of issue of Perpetual Securities: [Individual Dealer/ Syndicated Issue]
41. The following Dealer(s) [is/are] subscribing the Perpetual Securities: [insert legal name(s) of Dealer(s)]
42. Stabilising Manager: [Insert legal name(s) of Stabilising Manager(s)]
43. Prohibition of sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Perpetual Securities clearly do not constitute “packaged” products or the Perpetual Securities do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Perpetual Securities may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

44. Prohibition of sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the Perpetual Securities clearly do not constitute “packaged” products or the Perpetual Securities do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Perpetual Securities may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
45. U.S. Selling Restrictions: Reg S, Category [1/2]
46. Ratings: [Give Details]
47. Hong Kong SFC Code of Conduct
- (i) Rebates: [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Perpetual Securities subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Perpetual Securities distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMLs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
- (i) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]/[Not Applicable]
- (ii) Marketing and Investor Targeting Strategy: [if different from Information Memorandum]
48. Paying Agent: [CDP Issuing and Paying Agent/Non-CDP Issuing and Paying Agent]
49. Registrar: [●]/[Not Applicable]
50. Transfer Agent: [●]/[Not Applicable]

51. The aggregate principal amount of Perpetual Securities issued has been translated in Singapore dollars at the rate of [●] producing a sum of (for Securities not denominated in Singapore dollars): S\$[●]
52. Use of proceeds: [●]
53. Private Banking Selling Commission: [Applicable/Not Applicable]
54. Parity Obligations: [Insert definition]
55. Specified Parity Obligations: [Insert definition]
56. Other terms:

Details of any additions or variations to terms and conditions of the Perpetual Securities as set out in the Information Memorandum:

Any additions or variations to the selling restrictions:

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

1. Initial Issue of Securities

Global Securities and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary or CDP.

Upon the initial deposit of a Global Security with the Common Depositary or CDP, or registration of Registered Securities in the name of, or in the name of a nominee of, the Common Depositary or CDP and delivery of the relevant Global Certificate to the Common Depositary or, as the case may be, CDP, the relevant clearing system will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

While any Security is represented by a Temporary Global Security, payments in respect of such Securities due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Security only to the extent that certification (in a form to be provided), to the effect that the beneficial owners of interests in such Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and (in the case of a Temporary Global Security delivered to a Common Depositary) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, CDP or any other clearing system (each, an “**Alternative Clearing System**”) as the holder of a particular principal amount of Securities (each an “**Accountholder**”) represented by a Global Security or a Global Certificate must look solely to Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be) for its share of each payment made by the Relevant Issuer to the bearer of such Global Security or the registered holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Securities or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Relevant Issuer in respect of payments due on the Securities for so long as the Securities are represented by such Global Security or Global Certificate and such obligations of the Relevant Issuer will be discharged by payment to the bearer of such Global Security or the registered holder of the Global Certificate, as the case may be, in respect of each amount so paid.

3. Exchange

3.1 Temporary Global Securities

Each Temporary Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that the appropriate TEFRA exemption is either “C Rules” or “Not Applicable”, in whole, but not in part, for the Definitive Securities defined and described below; and
- (ii) otherwise, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security for interests in a Permanent Global Security or, if so provided in the relevant Pricing Supplement, for Definitive Securities.

3.2 Permanent Global Securities

Each Permanent Global Security will be exchangeable, free of charge to the holder, on or after the Exchange Date, in whole (but not (except as provided under paragraph 3.4 below) in part), for Definitive Securities:

- (i) if the Permanent Global Security is held by or on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so; or
- (ii) if the Permanent Global Security is held by or on behalf of CDP and (a) an event of default, enforcement event or analogous event entitling an Accountholder or the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing; or (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in its terms and conditions for the provision of depository services and no alternative clearing system is available.

In the event that a Global Security is exchanged for Definitive Securities, such Definitive Securities shall be issued in Denomination Amount(s) only. A Securityholder who holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security in respect of such holding and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts.

Securities which are represented by a Global Security will only be transferable in accordance with the rules and procedures for the time being of CDP, Euroclear or Clearstream, or the relevant Alternative Clearing System.

3.3 Global Certificates

The following will apply in respect of transfers of Securities held in Euroclear or Clearstream, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system. Transfers of the holding of Securities represented by a Global Certificate pursuant to Condition 2(b) of the Securities may only be made:

- (i) in whole but not in part, if such Securities are held on behalf of Euroclear, Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention to permanently cease business or does in fact do so; or
- (ii) in whole but not in part, if such Securities are held by or on behalf of CDP and (a) an event of default, enforcement event or analogous event entitling an Accountholder or the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing; or (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or (d) CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in its terms and conditions for the provision of depository services and no alternative clearing system is available; or
- (iii) in whole or in part, if such Securities are not cleared through CDP, with the consent of the Relevant Issuer,

provided that, in the case of a transfer pursuant to paragraphs 3.3(i) or 3.3(iii) above, the holder of such Securities has given the Registrar not less than 30 days' notice at its specified office of such holders' intention to effect such transfer.

3.4 Delivery of Securities

On or after any due date for exchange, the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Security, or the part thereof to be exchanged, the Relevant Issuer will (i) in the case of a Temporary Global Security exchangeable for a Permanent Global Security, deliver, or procure the delivery of, a Permanent Global Security in an aggregate principal amount equal to the principal amount of the whole or part of the Temporary Global Security submitted for exchange or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Security to reflect such exchange or (ii) in the case of a Permanent Global Security exchangeable for Definitive Securities, deliver, or procure the delivery of, duly executed and authenticated Definitive Securities in an aggregate principal amount equal to the principal amount of the Permanent Global Security submitted for exchange. Definitive Securities will be security printed in accordance with any applicable legal and stock exchange requirements substantially in the form set out in the relevant Schedules to the Trust Deed. Upon exchange (or payment) in whole of a Permanent Global Security, such Permanent Global Security shall be deemed fully paid and shall be cancelled by the Issuing and Paying Agent and, unless otherwise instructed by the Relevant Issuer, the cancelled Permanent Global Security shall be returned to the Relevant Issuer.

3.5 Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Security, the first day following the expiry of 40 days after its issue date and, in relation to a Permanent Global Security, a day falling not less than 60 days after the day on which the notice requiring exchange is given and on which commercial banks are open for business in Singapore and in the case of an exchange pursuant to paragraph 3.3(i), a day on which commercial banks are open for business in the cities in which Euroclear, Clearstream, the Depository or, if relevant, the Alternative Clearing System are located.

4. Amendment to Conditions

The Temporary Global Securities, Permanent Global Securities and Global Certificates contain provisions that apply to the Securities that they represent, some of which modify the effect of the Conditions set out in this Information Memorandum. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Temporary Global Security unless exchange for an interest in a Permanent Global Security or for Definitive Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security. All payments in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of that Global Security to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed on each Global Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Securities.

All payments in respect of Securities represented by a Global Certificate held on behalf of Euroclear or Clearstream will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

All payments in respect of Securities represented by a Global Certificate held through CDP will, unless otherwise specified by the Relevant Issuer, be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

4.2 Prescription

Claims in respect of principal and distribution in respect of Securities that are represented by a Permanent Global Security shall become void unless it is presented for payment within (in the case of Notes) a period of three years from the appropriate Relevant Date (as defined in Condition 9 of the Notes) or (in the case of Perpetual Securities) a period of five years from the appropriate Relevant Date (as defined in Condition 8 of the Perpetual Securities).

4.3 Meetings

The holder of a Permanent Global Security or of the Securities represented by a Global Certificate shall (unless such Permanent Global Security or Global Certificate represents only one Security) be treated as two persons for the purposes of any quorum requirements of a meeting of Securityholders and, at any such meeting, the holder of a Permanent Global Security or the Securities represented by a Global Certificate shall be treated as having one vote in respect of each principal amount of Securities equal to the minimum Denomination Amount of the Securities for which such Permanent Global Security or Global Certificate may be exchanged.

4.4 Cancellation

Cancellation of any Security represented by a Permanent Global Security that is required by the Conditions to be cancelled (other than upon its redemption) shall be effected by reduction in the principal amount of such Permanent Global Security on its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule to such Permanent Global Security or, in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Securities represented by a Permanent Global Security may only be purchased by the Relevant Issuer or any of its subsidiaries if they are purchased together with the right to receive all future payments of interest or distribution thereon.

4.6 Issuers' Option

Any option of the Relevant Issuer provided for in the Conditions of any Securities while such Securities are represented by a Permanent Global Security shall be exercised by the Relevant Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Securities drawn in the case of a partial exercise of an option and accordingly no drawing of Securities shall be required. In the event that any option of the Relevant Issuer is exercised in respect of some but not all of the Securities of any Series, the rights of Accountholders with a clearing system in respect of the Securities will be governed by the standard procedures of Euroclear, Clearstream, CDP or any such Alternative Clearing System (as the case may be).

4.7 Securityholders' Options

Any option of the Securityholders provided for in the Conditions of any Securities while such Securities are represented by a Permanent Global Security may be exercised by the holder of the Permanent Global Security giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Securities with the Issuing and Paying Agent set out in the Conditions substantially in the form of the notice available from the Issuing and Paying Agent, except that the notice shall not be required to contain the serial numbers of the Securities in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Security, stating the nominal amount of Securities in respect of which the option is exercised and at the same time presenting the Permanent Global Security to the Issuing and Paying Agent for notation. Any option of the Securityholders provided for in the Conditions of any Securities while such Securities are represented by a Global Certificate may be exercised in respect of the whole or any part of the holding of Securities represented by such Global Certificate.

4.8 Trustee's Powers

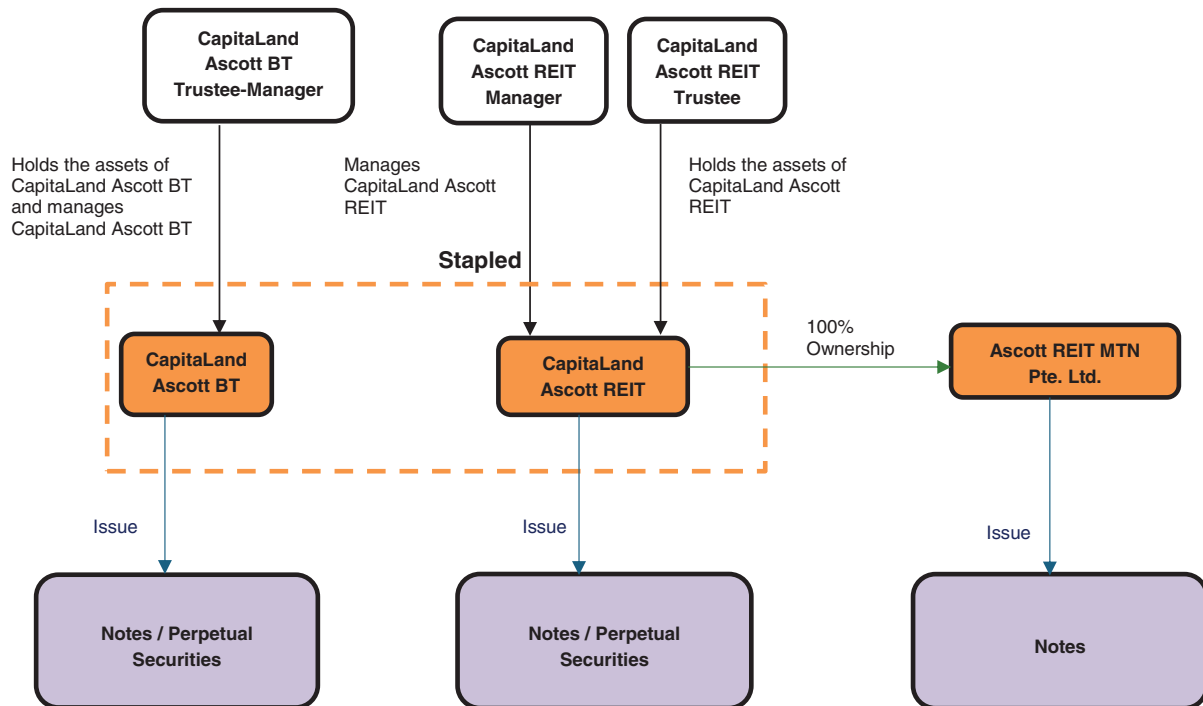
So long as any Global Security or, as the case may be, Global Certificate is held on behalf of a clearing system, in considering the interests of the Securityholders, the Trustee may have regard to any information, reports or certifications provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to such Global Security or, as the case may be, Global Certificate and may consider such interests on the basis that such accountholders or participants were the holders thereof.

4.9 Notices

So long as any Securities are represented by a Global Security or a Global Certificate and such Global Security or, as the case may be, Global Certificate is held on behalf of:

- (i) Euroclear and/or Clearstream or any other Alternative Clearing System (except as provided in paragraph 4.9(ii) below), notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate; or
- (ii) CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to (subject to the agreement of CDP) CDP for communication by it to entitled accountholders in substitution for publication, mailing or announcement as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate, except that so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, notices in respect of such Securities shall also be published in a daily newspaper in the English language having general circulation in Singapore.

TRANSACTION & CORPORATE STRUCTURE



DESCRIPTION OF ASCOTT REIT MTN PTE. LTD.

History and Business

ARMPL was incorporated under the Companies Act on 20 August 2009. It is a wholly owned subsidiary of the Guarantor. All of the issued share capital of ARMPL is owned by the Guarantor.

Its principal activities are the provision of financial and treasury services for and on behalf of CapitaLand Ascott Trust.

Since its incorporation, ARMPL has not engaged in any material activities other than the establishment of the Programme, the issue of Notes under the Programme and the authorisation of documents and agreements referred to in this Information Memorandum to which it is or will be a party.

Registered Office

The registered address of ARMPL as at the date of this Information Memorandum is 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

Shareholding and Capital

As at the date of this Information Memorandum, the issued share capital of ARMPL is S\$1.00, comprising one ordinary share.

Directors

As at the date of this Information Memorandum, the Directors of ARMPL are:

- Ms Kang Siew Fong; and
- Mr Chan Kin Leong Gerry.

DESCRIPTION OF CAPITALAND ASCOTT TRUST

1. HISTORY AND BACKGROUND

CapitaLand Ascott Trust (“**CLAS**”, or the “**Stapled Group**”) is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (“**CapitaLand Ascott REIT**”) and CapitaLand Ascott Business Trust (“**CapitaLand Ascott BT**”).

CapitaLand Ascott REIT was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used as serviced residences, rental housing properties and other hospitality assets in any country in the world. CLAS was listed on the Mainboard of the SGX-ST on 31 March 2006.

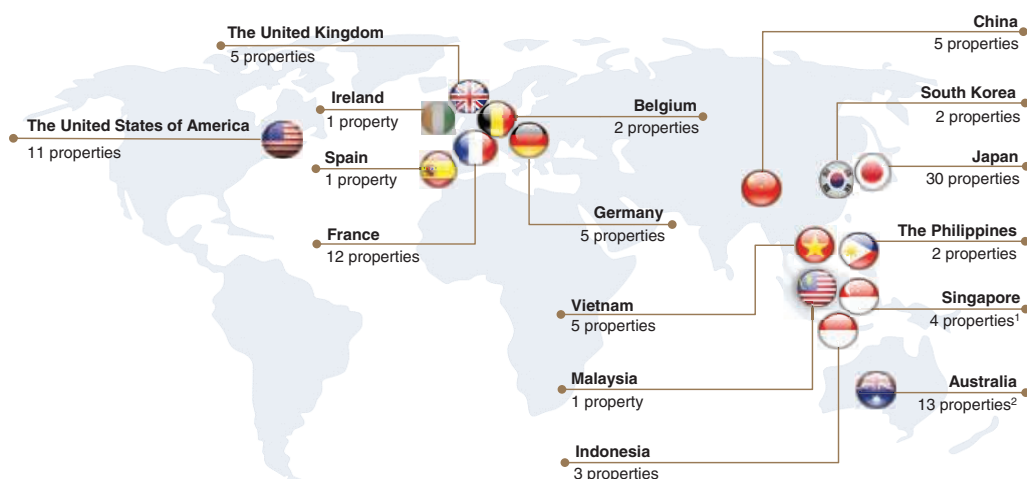
CapitaLand Ascott BT was established on 9 September 2019 as a business trust wholly owned by CapitaLand Ascott REIT, to facilitate the combination of CapitaLand Ascott REIT and Ascendas Hospitality Trust (a stapled group comprising Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Business Trust) (the “**Combination**”). See paragraph 3, “*Description of CapitaLand Ascott Trust – Structure of CapitaLand Ascott Trust*” below for the rationale for the establishment of CapitaLand Ascott BT.

On 31 December 2019, the Combination, through the acquisition by CapitaLand Ascott REIT of all units of Ascendas Hospitality Real Estate Investment Trust and the acquisition by CapitaLand Ascott BT of Ascendas Hospitality Business Trust, was completed. In connection with the Combination and pursuant to a trust scheme of arrangement by CapitaLand Ascott REIT, all the units in CapitaLand Ascott BT (the “**CapitaLand Ascott BT Units**”) were distributed *in specie* to the CapitaLand Ascott REIT Holders and each CapitaLand Ascott BT Unit was stapled to a unit in CapitaLand Ascott REIT (a “**CapitaLand Ascott REIT Unit**”) in accordance with the terms of the Stapling Deed to form a stapled security in CLAS (a “**Stapled Security**”), and cannot be traded separately.

In January 2021, CLAS expanded its principal investment strategy to include investments in real estate and real estate related assets which are income producing and which are used, or predominantly used, as student accommodation (the “**Expanded Principal Investment Strategy**”). The Expanded Principal Investment Strategy would be to invest primarily in real estate and real estate related assets which are income producing and which are used, or predominantly used, as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world, and such change in investment strategy was effected on 27 February 2021.

As at 31 March 2024, CLAS’ international portfolio comprised 102 properties with more than 18,000 units across 45 cities in 16 countries in Asia Pacific, Europe and the United States. As at 14 June 2024, the market capitalisation of CLAS is approximately S\$3.4 billion.

Geographical Diversification*



Notes:

* As at 31 March 2024.

1. Including Somerset Liang Court Singapore which is currently under development.
2. Including Novotel Sydney Paramatta which is currently in the process of being divested.

CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) (the “**CapitaLand Ascott REIT Manager**”) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT) (the “**CapitaLand Ascott BT Trustee-Manager**” and collectively, with the CapitaLand Ascott REIT Manager, the “**Managers**”). The Managers are both wholly owned subsidiaries of CapitaLand Investment Limited (“**CapitaLand**”), a leading global real asset manager with a strong Asia foothold. The sponsor of CLAS is The Ascott Limited (“**Ascott**” or the “**Sponsor**”), a wholly owned subsidiary of CapitaLand.

The Sponsor is one of the leading international lodging owner-operators with 40 years of industry track record and award-winning brands that are recognised worldwide. The Sponsor’s portfolio as at 31 March 2024 comprises a total of close to 164,800 operating and under development units in over 950 properties across 44 countries. Headquartered in Singapore, the Sponsor pioneered Asia-Pacific’s first international-class serviced residence property in 1984. The Sponsor has extensive experience in the ownership and management of serviced residences as well as an established international network of relationships with developers and service providers. The Managers believe that CLAS can leverage the Sponsor’s network to achieve its business objectives and provide CLAS with access to the market and network of contacts in the serviced residence sector.

In 2023, CLAS was ranked first in the Singapore Governance and Transparency Index for the REITs and Business Trusts category and was named Global Sector Leader (Listed – Hotel) in the GRESB Real Estate Assessment for the third consecutive year. CLAS is also a constituent of the iEdge-UOB APAC Yield Focus Green REIT Index and the iEdge-OCBC Singapore Low Carbon Select 50 Capped Index.

Awards won by the Properties in CLAS’ portfolio in 2023 include:

- “Excellence in Design for Greater Efficiencies (EDGE)”, Green Certification 2023
- “Best Luxury Hotel”, TripZilla Excellence Awards 2023

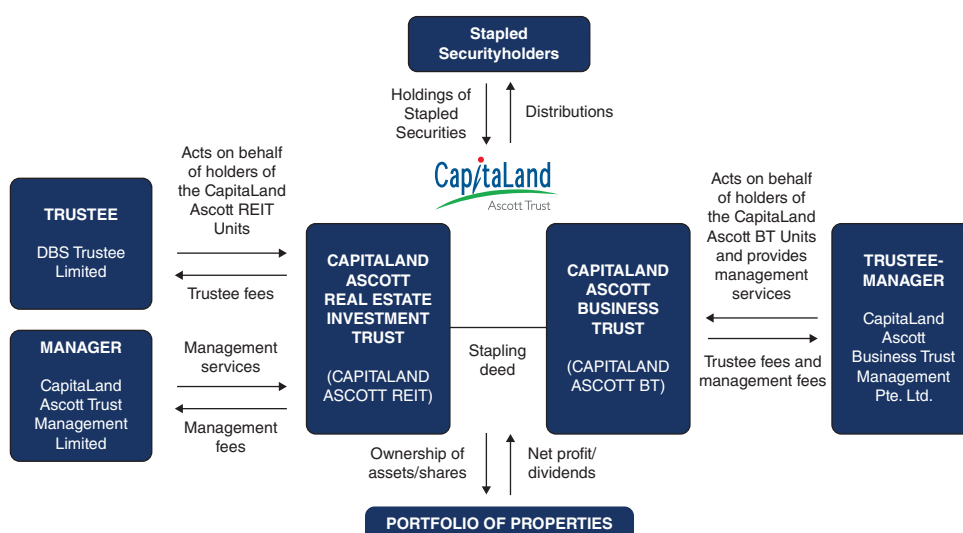
- “Sustainability Award”, RICS Southeast Asia Awards 2023
- “Co-Living Excellence Award”, EdgeProp Singapore Excellence Awards 2023
- “Asia’s Leading Serviced Apartments 2023”, World Travel Awards 2023
- “Spain’s Leading Serviced Apartments 2023”, World Travel Awards 2023 (won for the 6th consecutive year)
- “Germany’s Leading Serviced Apartments 2023”, World Travel Awards 2023 (won for the 3rd consecutive year)

2. RATINGS

In May 2024, Fitch Ratings maintained CapitaLand Ascott REIT’s Long-Term Issuer Default Rating as ‘BBB’. The outlook for the rating is stable. Fitch Ratings has also upgraded the rating of the Programme from ‘BBB-’ to ‘BBB’.

3. STRUCTURE OF CAPITALAND ASCOTT TRUST

The structure of CLAS is set out below:



Post-Combination, CLAS comprises a real estate investment trust and an active business trust component where certain of its income is derived from non-passive income sources². Pursuant to Appendix 6 of the Code on Collective Investment Schemes (the “**CIS Code**”, and Appendix 6 of the CIS Code, the “**Property Funds Appendix**”), a real estate investment trust should not derive more than 10% of its revenue from sources other than passive income sources. Accordingly, CapitaLand Ascott BT was established to hold such assets so as to facilitate compliance by CLAS with the Property Funds Appendix.

3.1 The CapitalLand Ascott REIT Trustee – DBS TRUSTEE LIMITED

The trustee of CapitalLand Ascott REIT is DBS Trustee Limited (the “**CapitalLand Ascott REIT Trustee**”). DBS Trustee Limited is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act 2005 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the Securities and Futures Act 2001 of Singapore (“**SFA**”).

² Under the Property Funds Appendix, such passive income sources refer to: (a) rental payments from the tenants of the real estate held by the property fund; or (b) interest, dividends, and other similar payments from special purpose vehicles and other permissible investments of the property fund.

As at the date of this Information Memorandum, DBS Trustee Limited has a paid-up share capital of S\$2,500,000 and its registered office is located at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982.

Powers, Duties and Obligations of the CapitaLand Ascott REIT Trustee

The CapitaLand Ascott REIT Trustee's powers, duties and obligations are set out in the CapitaLand Ascott REIT Trust Deed. The powers and duties of the CapitaLand Ascott REIT Trustee include:

- (a) acting as trustee of CapitaLand Ascott REIT and, in such capacity, safeguarding the rights and interests of the CapitaLand Ascott REIT Holders, for example, by satisfying itself that transactions it enters into for and on behalf of CapitaLand Ascott REIT with a related party of the CapitaLand Ascott REIT Manager or CapitaLand Ascott REIT are conducted on normal commercial terms, are not prejudicial to the interests of CapitaLand Ascott REIT and the CapitaLand Ascott REIT Holders, and in accordance with all applicable requirements under the Property Funds Appendix, the Listing Manual and/or all applicable laws relating to the transaction in question;
- (b) holding the assets of CapitaLand Ascott REIT on trust for the benefit of the CapitaLand Ascott REIT Holders in accordance with the CapitaLand Ascott REIT Trust Deed; and
- (c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of CapitaLand Ascott REIT.

The CapitaLand Ascott REIT Trustee has covenanted in the CapitaLand Ascott REIT Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the CapitaLand Ascott REIT Holders.

In the exercise of its powers, the CapitaLand Ascott REIT Trustee may (on the recommendation of the CapitaLand Ascott REIT Manager), subject to the provisions of the CapitaLand Ascott REIT Trust Deed, acquire or dispose of any real or personal property, as well as borrow and encumber any asset.

The CapitaLand Ascott REIT Trustee may, subject to the provisions of the CapitaLand Ascott REIT Trust Deed, appoint and engage:

- (i) a person or entity to exercise any of its powers or perform its obligations; and
- (ii) any real estate agents or managers, including a related party of the CapitaLand Ascott REIT Manager, in relation to the management, development, leasing, purchase or sale of any real estate assets and real estate-related assets.

Although the CapitaLand Ascott REIT Trustee may borrow money or obtain other financial accommodation for the purposes of CapitaLand Ascott REIT, both on a secured and an unsecured basis, the CapitaLand Ascott REIT Manager must not direct the CapitaLand Ascott REIT Trustee to incur a liability if to do so would mean that the total borrowings and deferred payments (collectively, the “**aggregate leverage**”) of CapitaLand Ascott REIT would exceed the limits prescribed in the Property Funds Appendix, being 45% of its Deposited Property with effect from 1 January 2022. Under the Property Funds Appendix, with effect from 1 January 2022, CapitaLand Ascott REIT’s aggregate leverage may exceed 45% of its Deposited Property (up to a maximum of 50%) only if CapitaLand Ascott REIT has a minimum adjusted interest coverage ratio³ of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

The CapitaLand Ascott REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the CapitaLand Ascott REIT Trust Deed, the Listing Manual, the SFA, the CIS Code, the Tax Rulings and all other relevant laws. It is responsible for the safe custody of CapitaLand Ascott REIT’s assets and must cause CapitaLand Ascott REIT’s accounts to be audited. It can also appoint valuers to value the real estate assets and real estate-related assets of CapitaLand Ascott REIT. Under the CapitaLand Ascott REIT Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian (including, without limitation, any related party of the CapitaLand Ascott REIT Trustee) in relation to the whole or any part of CapitaLand Ascott REIT’s assets.

The CapitaLand Ascott REIT Trustee is not personally liable to a CapitaLand Ascott REIT Holder in connection with the office of the CapitaLand Ascott REIT Trustee provided that it has acted in good faith and without fraud, gross negligence, wilful default, breach of trust or breach of the CapitaLand Ascott REIT Trust Deed. Any liability of or indemnity, covenant, undertaking, representation and/or warranty given or to be given by the CapitaLand Ascott REIT Trustee shall be limited to the assets of CapitaLand Ascott REIT over which the CapitaLand Ascott REIT Trustee has recourse, provided that the CapitaLand Ascott REIT Trustee has acted in good faith and without fraud, gross negligence, wilful default, breach of trust or breach of the CapitaLand Ascott REIT Trust Deed. The CapitaLand Ascott REIT Trust Deed contains certain indemnities in favour of the CapitaLand Ascott REIT Trustee under which it will be indemnified out of the assets of CapitaLand Ascott REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to applicable laws.

Retirement and Replacement of the CapitaLand Ascott REIT Trustee

The CapitaLand Ascott REIT Trustee may retire or be replaced under the following circumstances:

- (a) The CapitaLand Ascott REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the CapitaLand Ascott REIT Trust Deed).

³ “Adjusted interest coverage ratio” means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

- (b) The CapitaLand Ascott REIT Trustee may be removed by notice in writing to the CapitaLand Ascott REIT Trustee by the CapitaLand Ascott REIT Manager:
 - (i) if the CapitaLand Ascott REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CapitaLand Ascott REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the CapitaLand Ascott REIT Trustee;
 - (ii) if the CapitaLand Ascott REIT Trustee ceases to carry on business;
 - (iii) if the CapitaLand Ascott REIT Trustee fails or neglects after 30 days' written notice from the CapitaLand Ascott REIT Manager to carry out or satisfy any material obligation imposed on the CapitaLand Ascott REIT Trustee by the CapitaLand Ascott REIT Trust Deed;
 - (iv) by way of an extraordinary resolution duly passed at a meeting of CapitaLand Ascott REIT Holders held in accordance with the provisions of the CapitaLand Ascott REIT Trust Deed, and of which not less than 21 days' notice has been given to the CapitaLand Ascott REIT Trustee and the CapitaLand Ascott REIT Manager; or
 - (v) if the Monetary Authority of Singapore ("**MAS**") directs that the CapitaLand Ascott REIT Trustee be removed.

3.2 The CapitaLand Ascott REIT Manager – CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED

The CapitaLand Ascott REIT Manager was incorporated in Singapore under the Companies Act on 22 November 2005 under the name "ART Management Pte. Ltd.", which was thereafter changed to "ART Management Limited" in connection with its conversion into a public limited company.

The CapitaLand Ascott REIT Manager subsequently changed its name to "Ascott Residence Trust Management Limited" on 20 January 2006 and to "CapitaLand Ascott Trust Management Limited" on 27 September 2022. The CapitaLand Ascott REIT Manager is a subsidiary of CapitaLand. The CapitaLand Ascott REIT Manager has a paid-up capital of S\$1,000,000 and its registered office is located at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

Roles and Responsibilities of the CapitaLand Ascott REIT Manager

The CapitaLand Ascott REIT Manager has general powers of management over the assets of CapitaLand Ascott REIT. The CapitaLand Ascott REIT Manager's main responsibility is to manage CapitaLand Ascott REIT's assets and liabilities for the benefit of CapitaLand Ascott REIT Holders. For further details on the management services provided by the CapitaLand Ascott REIT Manager, see paragraph 3.4, "*– Management of CLAS by the Managers*" below.

The CapitaLand Ascott REIT Manager may require the CapitaLand Ascott REIT Trustee to:

- (i) while the CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units are stapled together, lend monies to CapitaLand Ascott BT out of the Deposited Property of CapitaLand Ascott REIT on such terms and conditions as it may determine whenever the CapitaLand Ascott REIT Manager considers that such lending is necessary or desirable in order to further the interests of the Stapled Securityholders as a whole; and

- (ii) borrow or obtain other financial accommodation on behalf of CapitaLand Ascott REIT (upon such terms and conditions as the CapitaLand Ascott REIT Manager thinks fit, including the charging or mortgaging of all or any of CapitaLand Ascott REIT's Deposited Property) whenever the CapitaLand Ascott REIT Manager considers that such borrowings are necessary or desirable in order to enable the CapitaLand Ascott REIT Trustee to meet any liabilities under or in connection with CapitaLand Ascott REIT or with any investment, or that such borrowings are desirable to finance:
- the acquisition of any authorised investment by CapitaLand Ascott REIT or the redemption of CapitaLand Ascott REIT Units; or
 - while the CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units are stapled together, the on-lending of monies to CapitaLand Ascott BT for the purpose of furthering the interests of Stapled Securityholders as a whole.

However, the CapitaLand Ascott REIT Manager must not direct the CapitaLand Ascott REIT Trustee to incur a borrowing if to do so would mean that CapitaLand Ascott REIT's total borrowings exceeds the aggregate leverage limit under the Property Funds Appendix. See paragraph 3.1, "*– The CapitaLand Ascott REIT Trustee – DBS TRUSTEE LIMITED – Powers, Duties and Obligations of the CapitaLand Ascott REIT Trustee*" above for details of the aggregate leverage limit requirements.

Retirement and Removal of the CapitaLand Ascott REIT Manager

The CapitaLand Ascott REIT Manager shall have the power to retire in favour of a corporation approved by the CapitaLand Ascott REIT Trustee to act as the manager of CapitaLand Ascott REIT.

The CapitaLand Ascott REIT Manager may be removed by notice given in writing by the CapitaLand Ascott REIT Trustee if:

- (a) the CapitaLand Ascott REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CapitaLand Ascott REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the CapitaLand Ascott REIT Manager;
- (b) the CapitaLand Ascott REIT Manager ceases to carry on business;
- (c) the CapitaLand Ascott REIT Manager fails or neglects after 30 days' written notice from the CapitaLand Ascott REIT Trustee to carry out or satisfy any material obligation imposed on the CapitaLand Ascott REIT Manager by the CapitaLand Ascott REIT Trust Deed;
- (d) by way of a resolution duly passed by a simple majority of CapitaLand Ascott REIT Holders present and voting at a meeting of CapitaLand Ascott REIT Holders duly convened and held in accordance with the provisions of the CapitaLand Ascott REIT Trust Deed (with no CapitaLand Ascott REIT Holder being disenfranchised);
- (e) if the CapitaLand Ascott REIT Trustee is of the opinion, and so states in writing such opinion and the reason therefore, that the CapitaLand Ascott REIT Manager has, to the prejudice of CapitaLand Ascott REIT Holders, failed to comply with any provision of the CapitaLand Ascott REIT Trust Deed, and summons a meeting of CapitaLand Ascott REIT Holders pursuant to Section 295 of the SFA, and if at such a meeting the CapitaLand Ascott REIT Holders by extraordinary resolution determine to remove the CapitaLand Ascott REIT Manager; or

- (f) the Monetary Authority of Singapore directs the CapitaLand Ascott REIT Trustee to remove the CapitaLand Ascott REIT Manager.

3.3 The CapitaLand Ascott BT Trustee-Manager – CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

The CapitaLand Ascott BT Trustee-Manager was incorporated in Singapore under the Companies Act on 2 August 2019, and is a subsidiary of CapitaLand. The CapitaLand Ascott BT Trustee-Manager has a paid-up capital of S\$1.00 and its registered office is located at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

Roles and Responsibilities of the CapitaLand Ascott BT Trustee-Manager

The CapitaLand Ascott BT Trustee-Manager has the dual responsibilities of safeguarding the rights and interests of the CapitaLand Ascott BT Holders, and managing the business conducted by CapitaLand Ascott BT. The CapitaLand Ascott BT Trustee-Manager has general powers of management over the business and assets of CapitaLand Ascott BT and manages CapitaLand Ascott BT's assets and liabilities for the benefit of CapitaLand Ascott BT Holders. For further details on the management services provided by the CapitaLand Ascott BT Trustee-Manager, see paragraph 3.4, “– *Management of CLAS by the Managers*” below.

The CapitaLand Ascott BT Trustee-Manager is also responsible for ensuring that CapitaLand Ascott BT complies with the Business Trusts Act 2004 of Singapore (the “BTA”), the SFA, the Listing Manual, the CapitaLand Ascott BT Trust Deed and the Stapling Deed, and all other applicable laws, regulations and guidelines.

The CapitaLand Ascott BT Trustee-Manager also has the following statutory duties under the BTA:

- to at all times act honestly and exercise reasonable care and diligence in the discharge of its duties as CapitaLand Ascott BT's trustee-manager in accordance with the BTA and the CapitaLand Ascott BT Trust Deed;
- to act in the best interests of all CapitaLand Ascott BT Holders as a whole and give priority to the interests of all CapitaLand Ascott BT Holders as a whole over its own interests in the event of a conflict between the interests of all CapitaLand Ascott BT Holders as a whole and its own interests;
- not to make improper use of any information acquired by virtue of its position as CapitaLand Ascott BT's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the CapitaLand Ascott BT Holders; and
- to hold the CapitaLand Ascott BT Trust Property on trust for all CapitaLand Ascott BT Holders as a whole in accordance with the terms of the CapitaLand Ascott BT Trust Deed.

Powers, Duties and Obligations of the CapitaLand Ascott BT Trustee-Manager

The CapitaLand Ascott BT Trustee-Manager's powers, duties and obligations are set out in the CapitaLand Ascott BT Trust Deed and the BTA. The powers, duties and obligations of the CapitaLand Ascott BT Trustee-Manager include:

- (a) acting as trustee-manager of CapitaLand Ascott BT and, in such capacity, safeguarding the rights and interests of the CapitaLand Ascott BT Holders;

- (b) holding the assets of CapitaLand Ascott BT on trust for the benefit of the CapitaLand Ascott BT Holders in accordance with the CapitaLand Ascott BT Trust Deed; and
- (c) exercising all the powers of a trustee-manager and the powers that are incidental to the ownership of the assets of CapitaLand Ascott BT.

The CapitaLand Ascott BT Trustee-Manager has covenanted in the CapitaLand Ascott BT Trust Deed that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner in the best interests of the CapitaLand Ascott BT Holders as a whole (subject to the overriding best interests of Stapled Securityholders, as permitted under all applicable laws, regulations and guidelines).

In the exercise of its powers, the CapitaLand Ascott BT Trustee-Manager may, subject to the provisions of the CapitaLand Ascott BT Trust Deed, acquire or dispose of any real or personal property, borrow or encumber any asset. In particular, the CapitaLand Ascott BT Trustee-Manager may:

- (i) while the CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units are stapled together, lend monies to CapitaLand Ascott REIT out of CapitaLand Ascott BT's Trust Property whenever the CapitaLand Ascott BT Trustee-Manager considers, among other things, that such lending is necessary or desirable in order to further the interests of the Stapled Securityholders as a whole; and
- (ii) borrow on behalf of CapitaLand Ascott BT (upon such terms and conditions as it deems fit, including the charging or mortgaging of all or any part of CapitaLand Ascott BT's property) whenever the CapitaLand Ascott BT Trustee-Manager considers that such borrowings are necessary or desirable in order to enable the CapitaLand Ascott BT Trustee-Manager to meet any liabilities under or in connection with CapitaLand Ascott BT or with any of its assets, or that such borrowings are desirable to finance:
 - the acquisition of any authorised investments by CapitaLand Ascott BT or redemption of CapitaLand Ascott BT Units by the CapitaLand Ascott BT Trustee-Manager; or
 - while the CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units are stapled together, the on-lending of monies to CapitaLand Ascott REIT in order to further the interests of the Stapled Securityholders as a whole.

The CapitaLand Ascott BT Trustee-Manager must carry out its functions and duties and comply with all the obligations imposed on it as set out in the CapitaLand Ascott BT Trust Deed, the Listing Manual, the SFA, the BTA, and all other applicable laws, regulations and guidelines. It must retain CapitaLand Ascott BT's assets, or cause CapitaLand Ascott BT's assets to be retained, in safe custody, and cause CapitaLand Ascott BT's accounts to be audited.

The CapitaLand Ascott BT Trustee-Manager may, subject to the provisions of the CapitaLand Ascott BT Trust Deed, appoint and engage:

- (I) a person or entity to exercise any of its powers or perform its obligations; and
- (II) any real estate agents or managers, including a Related Party (as defined in the CapitaLand Ascott BT Trust Deed), in relation to the management, development, leasing, purchase or sale of any real estate assets and real estate-related assets.

Retirement and Removal of the CapitaLand Ascott BT Trustee-Manager

The CapitaLand Ascott BT Trustee-Manager may resign or be removed under the following circumstances:

- the CapitaLand Ascott BT Trustee-Manager shall only resign in accordance with the relevant laws, regulations and guidelines and its resignation shall only be upon the appointment of a new trustee-manager (such appointment to be made in accordance with the provisions of the CapitaLand Ascott BT Trust Deed); and
- the CapitaLand Ascott BT Trustee-Manager may be removed in accordance with the relevant laws, regulations and guidelines.

3.4 Management of CLAS by the Managers

The Managers set the strategic direction of CLAS and decide (and in the case of the CapitaLand Ascott REIT Manager, make recommendations to the CapitaLand Ascott REIT Trustee) on the acquisition, divestment or enhancement of assets of CLAS in accordance with CLAS' stated investment strategy. Generally, the Managers will provide the following management services to CLAS:

- ***Investment strategy:*** Formulate and execute CLAS' investment strategy, including determining the location and other characteristics of CLAS' property portfolio.
- ***Acquisitions and sales:*** Decide (and in the case of the CapitaLand Ascott REIT Manager, make recommendations to the CapitaLand Ascott REIT Trustee) on the acquisition and sale of properties.
- ***Planning and reporting:*** Make periodic property plans, including budgets and reports, relating to the performance of CLAS' properties.
- ***Financing:*** Formulate plans for equity and debt financing for CLAS' property acquisitions, distribution payments, expense payments and capital expenditure payments.
- ***Administrative and advisory services:*** Perform day-to-day administrative services as CLAS' representative, including providing administrative services relating to meetings of Stapled Securityholders when such meetings are convened.
- ***Investor relations:*** Communicate and liaise with Stapled Securityholders and investors, including responding to enquiries by Stapled Securityholders.
- ***Sustainability:*** Formulate and execute CLAS' sustainability strategy to meet its environmental, social and governance goals.
- ***Compliance management:*** Make all regulatory filings on behalf of CLAS, and ensure that each of CapitaLand Ascott REIT and CapitaLand Ascott BT is in compliance with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the Stapling Deed, all relevant contracts, (in the case of CapitaLand Ascott REIT) the CIS Code (including the Property Funds Appendix), the Tax Rulings and the CapitaLand Ascott REIT Trust Deed, and (in the case of CapitaLand Ascott BT) the BTA and the CapitaLand Ascott BT Trust Deed.
- ***Accounting records:*** Maintain accounting records and prepare or cause to be prepared accounts and annual reports.

To avoid any differences or deadlock in the operation of the Stapled Group, the composition of the board of Directors of the CapitaLand Ascott REIT Manager and CapitaLand Ascott BT Trustee-Manager (the “**Boards**”) is identical. Information on the business and working experience of each of the Directors on the Boards is set out in the section entitled “Management”.

4. MANAGEMENT CONTRACTS AND MASTER LEASES

As at 31 March 2024, CLAS has 102 Properties⁴ of which 93 properties are held under CapitaLand Ascott REIT and the remaining nine properties are held under CapitaLand Ascott BT.

4.1 Properties held under CapitaLand Ascott REIT

(a) *Management Contracts*

As at 31 March 2024, 69 of CapitaLand Ascott REIT’s operating Properties are on Management Contracts, which are primarily entered into between CapitaLand Ascott REIT and the operators which provide property management services to CLAS.

As at 31 March 2024:

- 34 of the Properties are managed by management companies which are subsidiaries of the Sponsor (the “**Ascott Management Companies**”) (as set out in the table below under the heading “*Ascott Management Companies*”) pursuant to the management agreements primarily between the Ascott Management Companies and CapitaLand Ascott REIT in respect of these Properties (the “**CapitaLand Ascott REIT Ascott Management Agreements**”);
- 32 of the Properties are longer-stay assets managed by third-party managers (the “**Longer-stay Management Companies**”) (as set out in the table below under the heading “*Longer-stay Management Companies*”); and
- three of the Properties, being the Properties located in the United States, are managed by third-party hotel managers (the “**US Management Companies**”) (as set out in the table below under the heading “*US Management Companies*”) under franchise arrangements.

Ascott Management Companies

Property	Ascott Management Company
Australia	
Citadines Connect Sydney Airport	Ascott International Management (Australia) Pty Ltd (“ AIM Australia ”)
Citadines on Bourke Melbourne	AIM Australia
Citadines St Georges Terrace, Perth	AIM Australia
Belgium	
Citadines Sainte-Catherine Brussels	Citadines SA
Citadines Toison d’Or Brussels	Citadines SA

⁴ This figure includes (i) Somerset Liang Court Singapore, which is under development and (ii) Novotel Sydney Parramatta, which is currently in the process of being divested. On 3 November 2023, CLAS entered into a sale and purchase agreement to divest Novotel Sydney Parramatta. The divestment is expected to complete by the third quarter of 2024.

Property	Ascott Management Company
China	
Citadines Xinghai Suzhou	Ascott Property Management (Shanghai) Co., Ltd. (" APMS ")
Citadines Zhuankou Wuhan	APMS
Somerset Grand Central Dalian	Ascott Property Management (Beijing) Co., Ltd. (" APMB ")
Somerset Heping Shenyang	APMB
Somerset Olympic Tower Property Tianjin	APMB
Indonesia	
Ascott Jakarta	PT Ascott International Management Indonesia (" PT AIMI ")
Ascott Kuningan Jakarta	PT AIMI
Somerset Grand Citra Jakarta	PT AIMI
Japan	
Citadines Central Shinjuku Tokyo	Ascott International Management Japan Company Limited (" AIM Japan ")
Citadines Karasuma-Gojo Kyoto	AIM Japan
Citadines Shinjuku Tokyo	AIM Japan
Malaysia	
Somerset Kuala Lumpur	Ascott International Management (Malaysia) Sdn. Bhd.
The Philippines	
Ascott Makati	Scotts Philippines, Inc. (" Scotts Philippines ")
Somerset Millennium Makati	Scotts Philippines
Singapore	
Ascott Orchard Singapore	Ascott International Management Pte Ltd. (" AIMPL ")
lyf one-north Singapore	AIMPL
Somerset Liang Court Property Singapore ⁽¹⁾	AIMPL
The Robertson House by The Crest Collection ⁽²⁾	AIMPL
Spain	
Citadines Ramblas Barcelona	Aparthotel Citadines SA
The UK	
Citadines Barbican London	Ascott Hospitality Management (UK) Limited (" AHMUK ")
Citadines Holborn-Covent Garden London	AHMUK
Citadines South Kensington London	AHMUK

Property	Ascott Management Company
Citadines Trafalgar Square London	AHМУK
The Cavendish London	AHМУK
Vietnam	
Somerset Central TD Hai Phong City	Ascott International Management (Vietnam) Co., Ltd. (“ AIMV ”)
Somerset Chancellor Court Ho Chi Minh City	AIMV
Somerset Grand Hanoi	AIMV
Somerset Hoa Binh Hanoi	AIMV
Somerset Ho Chi Minh City	AIMV

Notes:

- (1) Partial interest in the land was divested and the retained interest in the land is currently being redeveloped into a new serviced residence property.
- (2) The Robertson House by The Crest Collection is leased by CapitaLand Ascott REIT’s subsidiary to CapitaLand Ascott BT’s subsidiary. The CapitaLand Ascott BT’s subsidiary has separately entered into a hotel management agreement with AIMPL for the management of the property as well as the rebranding and renovation of the property.

Pursuant to the relevant CapitaLand Ascott REIT Ascott Management Agreements, each of the Ascott Management Companies was appointed to operate, maintain, manage and market the serviced apartment units in the relevant Properties managed by them, and provide lease/licence management, marketing and serviced residence management services for the Properties.

Longer-stay Management Companies

Property	Longer-stay Management Company
Japan	
Actus Hakata V-Tower	ACTUS Co., Ltd.
Alpha Square Kita 15 jo	BIG Co., Ltd. (“ BIG ”)
Big Palace Kita 14 jo	BIG
Big Palace Minami 5 jo	BIG
City Court Kita 1 jo	BIG
Eslead Residence Bentencho Grande	Haseko Livenet, Inc. (“ Haseko ”)
Eslead Residence Osaka Fukushima East	Haseko
Eslead Residence Umeda Grande	Haseko
Granfore Hakata Waterfront	KOSE R.E. Co., Ltd.
Gravis Court Kakomachi	K.K. Taisei Housy Property (“ Taisei ”)
Gravis Court Kokutaiji	Taisei
Gravis Court Nishiharaekimae	Taisei
House Saison Shijo-Dori	K.K. House Saison Enterprise
Infini Garden	Miyoshi Real Estate Co., Ltd.

Property	Longer-stay Management Company
Marunouchi Central Heights	Tokyu Housing Lease Corporation
Roppongi Residences Tokyo	R.A. Asset Management Inc.
S-Residence Fukushima Luxe	Haseko
S-Residence Gakuenzaka	Global Community Co., Ltd ("Global Community")
S-Residence Hommachi Marks	Haseko
S-Residence Midoribashi Serio	Haseko
S-Residence Namba Viale	Global Community
S-Residence Shukugawa	Haseko
S-Residence Tanimachi 9 chome	Haseko
Teriha Ocean Stage	SEKISUI HOUSE Real Estate Kyushu, Ltd.
United States	
Paloma Kent	Affiliates of PeakMade ("Peak")
Paloma Raleigh	Peak
Paloma University City	Affiliates of Cardinal Group ("Cardinal")
Paloma West Midtown	Peak
Seven07	Cardinal
Standard at Columbia	Landmark Properties ("Landmark")
Uncommon Wilmington	Affiliates of Article Student Living ("Article")
Wildwood Lubbock	Peak

US Management Companies

Property	US Management Company
United States	
voco Times Square South	Affiliates of Magna Hospitality Group ("Magna")
Element New York Times Square West	Real Hospitality Group, LLC
Sheraton Tribeca New York Hotel	Affiliates of Magna

(b) **Master Leases**

As at 31 March 2024, 24 of CapitaLand Ascott REIT's operating Properties – 12 in France, five in Germany, five in Australia and two in Japan, are on Master Leases with the Master Lessees. See paragraph 4.3, "*Description of the Master Leases*" below for further details of the Master Lease arrangements.

4.2 Properties held under CapitaLand Ascott BT

(a) *Management Contracts*

- As at 31 March 2024, two Properties held by CapitaLand Ascott BT are managed by Ascott Management Companies (as set out in the table below) pursuant to the relevant management agreement between the relevant Ascott Management Company and CapitaLand Ascott BT in respect of the relevant Property (and together with CapitaLand Ascott REIT Ascott Management Agreements, the “**Ascott Management Agreements**”); and

Property	Ascott Management Company
Australia	
Sydney Central Hotel (formerly known as Novotel Sydney Central)	AIM Australia
Ireland	
Temple Bar Hotel	AHМУK

- As at 31 March 2024, four of the Properties held by CapitaLand Ascott BT, being the Properties located in Australia, are managed by third-party hotel managers (the “**Australia Management Companies**” and together with the Ascott Management Companies, the Longer-stay Management Companies and US Management Companies, the “**Management Companies**”) (as set out in the table below).

Property	Australia Management Company
Australia	
Novotel Sydney Parramatta ⁵	Accor Australia
Pullman and Mercure Brisbane King George Square	Accor Australia
Pullman and Mercure Melbourne Albert Park	Accor Australia
Pullman Sydney Hyde Park	Accor Australia

(b) *Master Leases*

As at 31 March 2024, the remaining three Properties held by CapitaLand Ascott BT – one in Japan and two in South Korea, are on Master Leases with the Master Lessees. See paragraph 4.3, “– *Description of the Master Leases*” below for further details of the Master Lease arrangements.

4.3 Description of the Master Leases

Most of the Master Leases (mainly in Asia and France) have fixed and variable rent components. The remaining leases (mainly in Australia and Germany) are on fixed rent terms, which may be subject to annual indexation, market review or rental revisions pegged to indices representing construction cost, inflation or commercial rental prices.

⁵ On 3 November 2023, CLAS entered into a sale and purchase agreement to divest Novotel Sydney Paramatta. The divestment is expected to complete by the third quarter of 2024.

In 2023, a total of seven CLAS' French master lease agreements were renewed for a period of 12 years. In addition, the master lease agreement for Quest Mascot in Australia and The Madison Hamburg in Germany were also renewed in 2023.

As at 31 March 2024, these Master Leases have a weighted average remaining tenure of approximately 10 years.

For the Master Leases which was renewed in 2023, the weighted average lease expiry based on the date of commencement of the lease is approximately 17 years.

As at 31 March 2024, there are three master leases expiring in 2024, all of which are for properties in France.

5. GROWTH STRATEGIES

Any investment made must be aligned to CLAS' acquisition criteria after taking into account other relevant factors such as regulatory, commercial and political factors. Investments may be by way of direct property ownership or through the ownership of legal entities that own these properties.

The key objectives of the Managers are to continue to deliver stable and growing distributions to Stapled Securityholders through the following strategies:

- (i) **Proactive Investment and Portfolio Reconstitution:** Building a stronger portfolio and enhancing the quality and performance of CLAS' properties;
- (ii) **Prudent capital and risk management:** Employing appropriate capital financing and hedging strategies to manage interest rate and foreign exchange risks; and
- (iii) **Leveraging Sponsor:** Tapping on the expertise of the Sponsor, as an owner-operator in the lodging industry, and leveraging its brands and operating platforms which include, amongst other things, sales network and digital initiatives.

5.1 Proactive Investment and Portfolio Reconstitution

CLAS continues to pursue portfolio reconstitution opportunities to enhance the quality and returns of the portfolio.

Divestment

The Managers constantly monitor and evaluate the growth potential of each Property to rejuvenate the portfolio and enhance returns. Divestment opportunities are sought for Properties that have reached the optimal stage of their life cycle, or whose growth prospects have been limited by the operating environment. Sale proceeds can then be redeployed towards more optimal, accretive uses including investing in higher-yielding properties, funding asset enhancement initiatives ("**AEIs**") and paying down higher interest rate debt.

Since its listing in 2006 to 31 March 2024, CLAS has divested more than 40 properties, recognising a total net divestment gain of approximately S\$0.8 billion.

CLAS actively seeks various opportunities to unlock value for its Stapled Securityholders.

In 2023, CLAS entered into agreements to divest nine properties for a total price of S\$260.1 million at an average exit yield of 4.3%⁶. Four mature properties (Citadines City Centre Lille, Citadines Croisette Cannes, Citadines Castellane Marseille and Citadines Prado Chanot Marseille) in regional France were divested in September 2023 for a total of EUR44.4 million (S\$64.7 million) at 63% above book value and an exit yield of about 4%. The other five properties comprise three hotels (Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West) located in Osaka, Japan and two hotels (Courtyard by Marriott Sydney-North Ryde and Novotel Sydney Parramatta) outside the city centre of Sydney Australia. The three hotels in Japan were divested for a total price of JPY10.7 billion (S\$99.8 million), a 15% premium over book value. This divestment was completed in March 2024. The total sale price of the two hotels in Australia was AUD109.0 million (S\$95.6 million), 5% above the properties' total book value, which represents an exit yield of approximately 4.4%. The divestment of one of the hotels, Courtyard by Marriott Sydney-North Ryde, was completed on 31 January 2024 and the other, Novotel Sydney Parramatta, is expected to complete in the third quarter of 2024.

In February 2024, the Managers announced the divestment of Citadines Mount Sophia Property Singapore for S\$148.0 million at 19% above the property's book value, which represents an exit yield of approximately 3.2%⁷. The divestment was completed in March 2024.

The average exit yield of the aforementioned 10 divestments was 3.8%⁸.

Investment

Acquisition

As part of its value creation strategy, the Managers actively but selectively explore acquisition opportunities globally and adopt stringent investment criteria to acquire quality properties in prime locations within key capital cities and which are supported by strong demand drivers to enhance the quality of CLAS' portfolio.

To expand CLAS' portfolio and maintain its geographical diversification across growth markets as well as stable economies, the Managers' acquisition strategies are as follows:

Acquisition of assets owned wholly or in part by the Sponsor

CLAS has been granted a right of first refusal in respect of, *inter alia*, the future sale by any Sponsor entity of properties that are used or predominantly used as serviced residences or rental housing properties in the Pan-Asian Region⁹ and Europe. The Sponsor supports CLAS' acquisition strategy through acquiring, retaining and enhancing assets with good income and growth potential, with the view of subsequently divesting the assets to CLAS at the appropriate time.

A number of the Sponsor's properties are currently under development or undergoing stabilisation of operations. Upon completion, they offer a pipeline of potential targets for acquisition by CLAS.

⁶ This refers to exit yield of the France and Australia properties which is computed based on FY2022 EBITDA. The exit yield of the Japan portfolio is not included as it is not meaningful since the properties were largely closed in 2022.

⁷ Based on FY2023 EBITDA.

⁸ This excludes the exit yield of the Japan portfolio which is not meaningful since the properties were largely closed in 2022. Including the Japan portfolio, the average exit yield will be approximately 2.8%.

⁹ Refers to all countries in Asia and the Asia-Pacific region.

Acquisition of assets currently managed and/or leased but not owned by the Sponsor

In addition to managing CLAS' portfolio, the Sponsor also operates and/or manages serviced residences and hotels owned by third parties. These assets are complementary to CLAS' current portfolio. CLAS will leverage the Sponsor's knowledge and relationships with the owners of these properties to acquire these assets should such opportunities become available.

Acquisition of suitable assets from third party owners not managed and/or leased by the Sponsor

CLAS also acquires quality assets from third party owners. Such opportunities arise from:

- divestment of income-producing assets by third party owners in need of capital for new business expansion or investments;
- divestment of assets by owners under financial stress; and
- acquisition of well-located but underperforming assets with the potential for rebranding or asset enhancements for higher returns.

The Sponsor's network of third-party owners and industry partners can also serve as an additional source of investment leads for CLAS, as CLAS can consider acquiring properties from or divesting to them.

Development Projects

The Managers also selectively undertake development projects with higher yields with a focus on accretive investments that create value for CLAS and improve returns to Stapled Securityholders.

The development of Standard at Columbia, a 678-bed freehold student accommodation property in South Carolina, United States, was completed in June 2023. The property received its first batch of students in August 2023 and has a healthy occupancy of more than 90% for the academic year 2023-2024, contributing a stable stream of income to CLAS.

Development works are currently ongoing for the 192-unit Somerset Liang Court Property Singapore, a serviced residence with hotel licence located in the Clarke Quay precinct. The site works commenced in July 2021 and the substructure works are in progress and targeted to complete in 2024. The development is expected to complete in 2026¹⁰. As at 31 March 2024, CLAS' development activities comprise less than 10% of its deposited property, which is within the Monetary Authority of Singapore's development limit.

Asset Enhancement

The Managers create value for Stapled Securityholders by maximising the operating yield of CLAS' property portfolio and by focusing on the operational performance of each Property.

¹⁰ Expected opening date and property details for Somerset Liang Court Property Singapore are subject to change.

As part of the Managers' focused and profit-oriented approach, the Managers benchmark the operating results of each Property against market performance and against its previous year's results and planned budgets. The Managers also conduct detailed reviews of Properties that are not achieving their targets, and work closely with the Management Companies to develop action plans to improve the operating performance of each of these Properties.

The Managers have in place robust asset management programmes that enable them to actively manage each of the Properties to generate organic growth and strengthen existing relationships with key customers. Through the Management Companies, the Managers seek to optimise occupancy levels and ADR, and maximise RevPAU.

Develop yield management and marketing strategies to maximise RevPAU

The Managers adopt a proactive approach in asset management, optimising the operating yields of the Properties in order to drive organic growth. The profitability of CLAS' portfolio depends primarily on the optimisation of RevPAU. Therefore, the Managers' yield management and marketing strategies are focused on:

- assessing and adjusting room rental rates based on occupancy levels and demand; and
- determining the right balance between higher yielding short-stay guests and stability of revenue from long-stay guests.

Improve operating efficiencies and economies of scale

The Managers work closely with and leverage the various Management Companies' extensive networks and platforms for sales distribution, revenue and inventory management, as well as procurement. In doing so, CLAS is able to drive revenue at the Properties and increase profit margins through effective cost management without compromising on service quality. The Managers and the Management Companies have identified several areas for cost management. Some examples include:

- direct marketing through the Management Companies' booking platforms to reduce commission expenses;
- bulk purchases to achieve economies of scale; and
- centralisation of key functions, such as finance and procurement for Properties located within the same city or region.

Create real estate value and maintain quality of portfolio

The Managers continuously strive to enhance the Properties and provide further capacity for growth through planned periodic AEIs. Such refurbishment works enhance the Properties, providing a higher level of guest satisfaction. The improvement in performance is expected to translate into higher real estate value. The Properties are reviewed regularly for AEI potential, taking into account:

- age of the property;
- market prospect and outlook; and
- yield accretion potential.

Apart from the refurbishment of guest rooms, common areas and facilities, the AEIs also encompass mechanical and engineering improvements and the adoption of higher-efficiency equipment, in line with CLAS' commitment to green its properties. During AEIs, care is taken to minimise disruption to daily operations and inconvenience to guests.

CLAS has in place a steady pipeline of AEIs projects to unlock organic growth potential and drive higher returns. As at 31 March 2024, seven properties are undergoing or slated for AEIs over the next few years. These properties are in prime locations of key gateway cities. Riverside Hotel Robertson Quay was renovated from the first quarter of 2023 to the first quarter of 2024 and rebranded to The Robertson House by The Crest Collection. Post-renovation, the property has obtained green certification and the refurbished rooms have an average room rate that is approximately 30% higher as at 31 March 2024. Other notable AEIs include that of The Cavendish London in London and Sydney Central Hotel (formerly Novotel Sydney Central) in Australia. The Cavendish London will be renovated and rebranded under The Crest Collection, a luxury brand managed by the Sponsor. The renovation will be carried out in phases from the fourth quarter of 2024 to the fourth quarter of 2025. The AEI of the Sydney property includes a brownfield extension to add eight floors and 72 rooms in the airspace above the carpark podium, expanding the property's gross floor area by approximately 10% and is expected to complete in the first quarter of 2026. Development approval has been obtained for the extension. The remaining AEI projects are expected to be completed between 2024 and 2026.

5.2 Capital and Risk Management

CLAS endeavours to achieve an optimal capital structure through a robust and disciplined approach towards capital and risk management. The Managers balance the cost of capital to optimise returns to the Stapled Securityholders, while maintaining gearing at a comfortable range, within the borrowing limits set out in the Property Funds Appendix. Either debt, divestment proceeds or equity or a combination of sources of capital is used to fund future acquisitions, while AEIs are funded mainly by operating cash flow. CLAS will continue to exercise financial discipline.

Additionally, CLAS optimises asset yields and provides stable and sustainable Stapled Securityholders' returns while maintaining flexibility for future capital expenditure or yield-accretive acquisitions.

The Managers' objectives for capital and risk management are as follows:

Maintain strong balance sheet by adopting and maintaining a target gearing range

CLAS maintains its gearing at a comfortable range, well within the borrowing limits allowed under the Property Funds Appendix. Under the Property Funds Appendix, with effect from 1 January 2022, the aggregate leverage of a REIT should not exceed 45% of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Stapled Securities), and a REIT's aggregate leverage may exceed this limit (up to a maximum of 50%) only if the REIT has a minimum adjusted interest coverage ratio (as defined in the Property Funds Appendix) of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 31 March 2024, CLAS' outstanding borrowings was S\$2,962 million, including both bank loans and the outstanding notes issued under its medium-term note programmes.

As at 31 March 2024, CLAS' gearing was 37.7% and its debt headroom was S\$2.0 billion¹¹, which provided it with greater access to growth opportunities and increased capacity for more development and conversion projects.

Secure diversified funding sources from both financial institutions and/or capital markets to seize market opportunities

The Managers utilise various funding sources including bank borrowings, the issuance of bonds and notes in the debt capital markets and the issuance of perpetual securities. CLAS can also exercise the option to raise equity capital through the issuance of Stapled Securities, when appropriate.

In managing liquidity risks, CLAS has established the Programme in 2009 and a US\$2.0 billion EURO-Medium Term Note Programme in 2011, in addition to credit lines with financial institutions.

Further, CLAS launched an equity fundraising in August 2023 comprising an offering of new stapled securities in CLAS, consisting of units in CapitaLand Ascott REIT and units in CapitaLand Ascott BT, by way of (a) a private placement and (b) a pro rata and non-renounceable preferential offering. The total gross proceeds of this equity fund raising was approximately S\$303.1 million.

As at 31 March 2024, approximately 66% of CLAS' total debt was funded by bank borrowings and the remaining 34% was tapped from the debt capital markets through its medium-term note programmes. CLAS adopts a prudent and disciplined approach towards capital management to ensure financial flexibility in its funding structure and to mitigate concentration risk.

Adopt a proactive interest rate management strategy to manage risks related to interest rate fluctuations

The Managers manage the risks associated with interest rates on loan facilities through the use of fixed rate borrowings and interest rate swaps, with the intention to keep variable interest rate borrowings at not more than 20% on a portfolio basis. The mix of fixed and floating interest rate borrowings are also actively reviewed by the Managers, taking into consideration the investments' holding period and nature of the assets, ensuring an optimal mix of both.

As at 31 March 2024, CLAS' effective borrowing cost is approximately 3.0% per annum and approximately 82% of CLAS' total borrowings were effectively on fixed interest rates to hedge against rising interest rates.

Manage exposure to foreign exchange fluctuations

With the Properties located across 16 countries, CLAS' earnings and financial position are subjected to foreign exchange movements. To manage the foreign currency risk, the Managers adopt foreign currency risk management strategies which include:

- Entering into foreign currency forward contracts to hedge the foreign currency income from overseas assets;
- the use of certain foreign currency denominated borrowings to match the capital values of the overseas assets as a natural hedge, whenever possible; and

¹¹ Refers to the amount of additional debt before reaching 50%; based on aggregate leverage limit of 45%, the debt headroom is S\$1.1 billion.

- the use of certain foreign currency denominated borrowings, such as bank loans and medium term notes and cross currency interest rate swaps, to hedge against the currency risk arising from CLAS' net investments in certain subsidiaries.

Where appropriate, hedging instruments such as foreign currency forward contracts are used to mitigate the impact of foreign exchange movements on the Properties' cash flow, taking into account the cost of hedging. The geographically diversified nature of CLAS' portfolio also serves to reduce the impact of foreign exchange fluctuations, as the strengthening of some currencies mitigates the weakening of others.

As a result of proactive foreign exchange management and the geographically diversified nature of CLAS' portfolio, the impact of foreign exchange rate movements on CLAS' gross profits has been kept within a +/- 3% range for the last five years.

Perform rigorous credit risk management

The Managers establish credit limits for customers and monitor their balances on an on-going basis. Credit evaluations are performed by the Management Companies before lease agreements are entered into with customers. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

For bookings by individuals, payments are usually made upfront and arrears are checked against lease deposits to minimise losses. Corporate bookings are generally given more credit days and the Managers adopt a strict policy of withdrawing credit terms when payments are outstanding so as to minimise bad debts.

Ensure sufficient cash flows to minimise liquidity risk

The Managers' approach to managing liquidity is to ensure as far as possible that CLAS will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to CLAS' reputation.

In addition to credit facilities, CLAS has the Programme and an US\$2.0 billion EURO-Medium Term Note Programme.

Prepare for market uncertainties

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

5.3 Leveraging the relationship with the Sponsor

The Managers work closely with the Management Companies to establish and develop relationships with global key accounts, and leverage the Sponsor's wider networks to improve CLAS' revenue and profitability.

The Sponsor enjoys strong brand equity through a series of marketing initiatives across different platforms. CLAS' portfolio mainly comprises serviced residences operated under the Ascott, Citadines, lyf, Quest, Somerset and The Crest Collection, among other brands, of the Sponsor. The Sponsor's suite of brands enables CLAS to offer a range of lodging products, to cater to the different market segments and varying needs of today's travellers.

With its scale and operational track record, the Sponsor is also able to provide guests staying at its managed properties around the world with a consistent customer experience and service quality.

As an established lodging operator focused on growing its scale, the Sponsor continuously expands its global operations and footprint into new markets. CLAS taps on the Sponsor's operational network for centralised procurement to lower operating costs and comprehensive sales and marketing programmes for a wider reach.

Integrating digital technology into its properties and systems is a key agenda for the Sponsor. Over the years, the Sponsor has invested in various digital initiatives which improve operational efficiencies and heighten service quality to enhance overall guest experience. Such initiatives are critical in keeping the Sponsor's managed properties competitive, and CLAS will benefit from the Sponsor's efforts in leveraging technology. For instance, the Sponsor implemented a cloud property management system, introduced robotic process automation to automate repetitive tasks and recently launched a generative artificial intelligence powered web chatbot to enhance the travel stages of planning and booking as part of the guest journey.

Being part of the larger CapitaLand Group, CLAS is able to tap on financing and treasury support and gain wider access to the debt and equity capital markets for more favourable capital raising terms.

6. COMPETITIVE STRENGTHS

The Managers are of the opinion that the competitive strengths of CLAS are as follows:

6.1 Diversified Portfolio

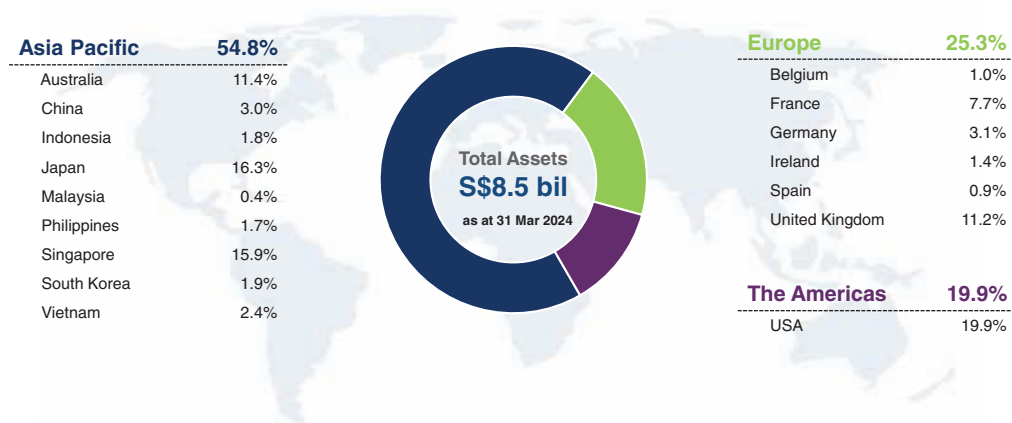
With properties located in nine countries in the Asia-Pacific region, six countries in Europe and the United States, CLAS is the most geographically diversified Singapore-listed lodging trust.

As at 31 March 2024, CLAS' portfolio comprises 102 properties with more than 18,000 units in 45 cities across 16 countries. With the expansion of CLAS' investment mandate in January 2021 to include investments in real estate and real estate related assets which are income producing and which are used, or predominantly used, as student accommodation, the portfolio now consists of serviced residences, hotels/business hotels, rental housing and student accommodation properties, serving a wide spectrum of guests with varying accommodation needs.

As at 31 March 2024, approximately 55% of CLAS' total assets were in the Asia-Pacific region, approximately 25% in Europe and 20% in the United States. The well-balanced and geographically diversified portfolio, serving a spectrum of guests with varying needs, ensures that CLAS is not being subject to concentration risk from any single market and provides resilience amidst global uncertainties.

A geographical breakdown of CLAS' total assets as at 31 March 2024 is set out below.

Assets by Geography



6.2 Strategic Location

As at 31 March 2024, CLAS' Properties are located in key gateway cities across Australia, Belgium, China, France, Germany, Indonesia, Ireland, Japan, Malaysia, the Philippines, South Korea, Singapore, Spain, the United Kingdom, the United States and Vietnam. The Properties are strategically located in prime locations well-positioned to capture demands from tourism, business activities and events. They are well-served by public transportation and within walking distance to amenities such as restaurants and supermarkets.

6.3 Strong Brand Recognition

CLAS is brand agnostic and the properties under its portfolio are operated by established operators with strong domain knowledge, under reputable brands.

CLAS' properties are mainly operated by the Sponsor, one of the leading international lodging owner-operators with more than 40 years of industry track record and a brand that enjoys worldwide recognition. CLAS' properties are mainly operated under the Ascott, Citadines, Iyf, Quest, Somerset and The Crest Collection, among other brands, of the Sponsor.

As a testament to its quality accommodation and services, the Sponsor and the Properties it manages have been awarded with various excellence awards. See paragraph 1, "– History and Background" above for more details of the list of awards won by CLAS' Properties in 2023. Due to the Sponsor's strong brand reputation and management excellence, CLAS' Properties are recognised globally and are a desired choice of accommodation for travellers seeking accommodation for extended stays.

CLAS also engages other third-party operators with Properties operating under their established brands – leveraging on their extensive network and capabilities to further strengthen CLAS' brand recognition.

6.4 Operational Synergies with the Sponsor

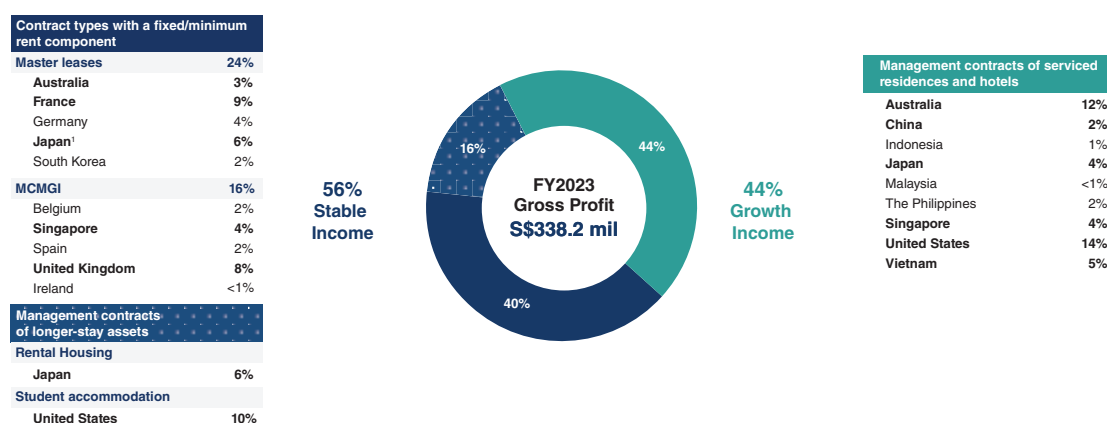
The Sponsor operates on a large scale in Asia and Europe and this enhances its ability to attract talent, develop management systems and achieve economies of scale not available to some of its competitors. All owners of properties managed by the Sponsor, including CLAS, benefit from a full range of corporate services such as human resources, corporate sales and marketing, corporate advertising, a central reservations system, a global sales network, centralised purchasing, building system maintenance and financial administration which are not available to independent owners.

Through its synergistic partnership with the Sponsor, CLAS will be able to further leverage the Sponsor's competitive advantages in the market through the Sponsor's ability to develop, invest in, operate and manage its properties. For further details, see paragraph 5.3, "*Leveraging the relationship with the Sponsor*" above.

6.5 Stability of Income

CLAS enjoys income stability through the Properties located in France, Germany, Japan, Australia and South Korea which are under the Master Leases, and Properties located in the UK, Belgium, Singapore and Spain which are under the Ascott Management Agreements that provide a minimum guaranteed income to CLAS.

For FY2023, approximately 56% of CLAS' gross profit was from stable income sources (Master Leases, Management Contracts with minimum guaranteed income, rental housing and student accommodation), which provides CLAS with a stable base of income. The breakdown of CLAS' gross profit for FY2023 by contract type is set out below.



Notes: Figures above are as at/for the year ended 31 December 2023; markets in bold are CLAS' 8 key markets.

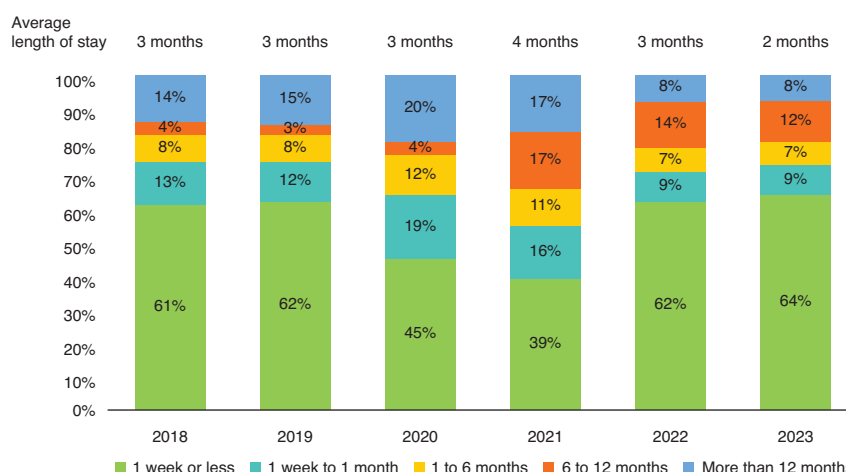
- Includes Eslead College Gate Kindaimae, a student accommodation in Japan under master lease.

CLAS will continue to enjoy this enhanced income stability over an extended period as the Master Leases have a weighted average remaining tenure of about 10 years and the Management Contracts with minimum guaranteed income have a weighted average remaining term of around 15 years as at 31 March 2024.

In addition, the average length of stay for the Properties on Management Contracts was approximately two months in FY2023. Rental housing properties with leases averaging more than one year offer greater income stability to the portfolio. Shorter-term stays, on the other hand, command higher room rates, enhancing yields.

The breakdown of CLAS' portfolio rental income by length of stay for FY2023 is set out in the chart below:

Portfolio Information by Length of Stay¹ (Portfolio Apartment Rental Income)



Note:

1. Historical information is prepared for illustrative purposes only and are not guarantees of future performance. Portfolio information excludes properties on master leases and properties under development.

6.6 Strong Acquisition Track Record

As part of its growth strategy, CLAS continually explores investment opportunities globally to enhance the quality of its portfolio and to maintain its geographical diversification across growth markets as well as stable economies.

Over the years, CLAS has demonstrated a strong acquisition track record, having made acquisitions of more than 100 properties since the listing of CapitaLand Ascott REIT in 2006. Through these acquisitions, CLAS' asset size has increased approximately ten-fold since its initial listing's asset size of S\$856 million, to an asset value of approximately S\$8.5 billion as of 31 March 2024.

In November 2023, CLAS acquired three properties (The Cavendish London, Temple Bar Hotel and Ascott Kuningan Jakarta) in London, Dublin and Jakarta. The properties were acquired at a combined agreed property value of S\$530.8 million. The EBITDA yield of the acquisition of these three properties was 6.2%¹². All three properties are in prime locations within key capital cities and are well-positioned to capture travel demand. The Cavendish London, which comprises 230 units, is well-located in the exclusive Mayfair high-end shopping district of central London and the 136-unit Temple Bar Hotel is in the Temple Bar district, both of which are high-traffic areas near iconic attractions. The 185-unit Ascott Kuningan Jakarta is in the capital city's central business district, close to embassies and commercial offices.

¹² The EBITDA yield of 6.2% is on a FY2022 *pro forma* basis and based on the agreed property value of the properties excluding the milestone payment and before AEIs, if any. Including the milestone payment, the EBITDA yield is 5.1%.

Additionally, CLAS completed the turnkey acquisitions of two Japan rental housing properties (Eslead Residence Osaka Fukushima East and Granfore Hakata Waterfront) in April 2023 and May 2023, respectively. CLAS had entered into forward acquisitions for these two properties in 2022 at a sale price of JPY1.9 billion (S\$22.2 million) and JPY4.0 billion (S\$47.9 million) respectively. The 108-unit Eslead Residence Osaka Fukushima East is located in central Osaka, close to the CBD and Port of Osaka. The 247-unit Granfore Hakata Waterfront is centrally-located in Fukuoka and close to the city’s commercial and entertainment districts.

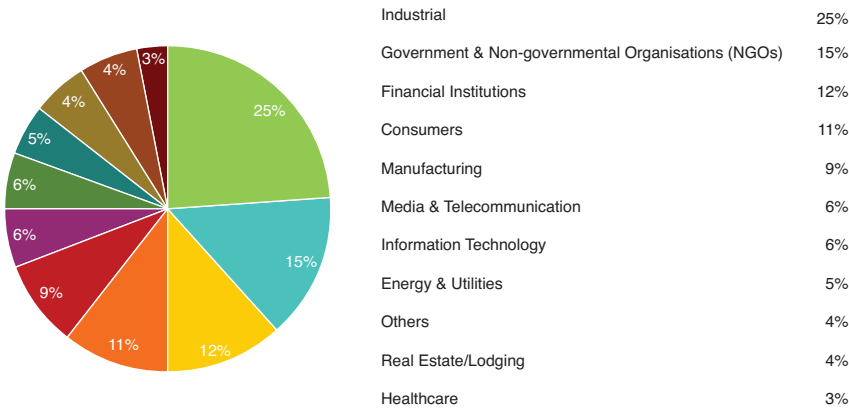
In January 2024, CLAS also completed the turnkey acquisition of Teriha Ocean Stage in Fukuoka, Japan, which had been entered into in 2022. The 258-unit rental housing property is located on Island City, in close proximity to both Tenjin, the commercial and entertainment district, and Hakata, Fukuoka’s business hub.

6.7 Strong Guest Base

By offering a range of accommodation types including serviced residences, hotels, rental housing and student accommodation, catering to leisure and corporate markets with short or long stay needs, CLAS is able to cater to a wide range of budgets and customer needs. CLAS’ guest base also ranges across industry sectors. This limits CLAS’ reliance on any particular industry or group of clients, thus providing relative stability to the earnings of CLAS’ portfolio.

The breakdown of CLAS’ rental income by industry for FY2023 is set out in the chart below:

FY2023 Portfolio Information by Industry¹



Note:

1. Based on rental income from corporate accounts of Properties under Ascott Management Contracts only.

CLAS' top 10 corporate clients by rental income for FY2023 is set out in the chart below:

FY2023 Top 10 Corporate Clients¹

Corporate Client	Industry ²	% of Total Apartment Rental Income
Government entities and embassies of various countries	Government & NGOs	1.1%
Toyota	Manufacturing	0.4%
Mitsubishi	Industrial	0.2%
CapitaLand	Real Estate	0.2%
Volkswagen	Manufacturing	0.2%
Accenture	Information Technology	0.1%
INSEAD	Government & NGOs	0.1%
LG	Industrial	0.1%
Dyson	Industrial	0.1%
Alstom	Industrial	0.1%
Qantas	Consumer	0.1%
Total		2.7%

Notes:

1. Based on rental income from corporate accounts of Properties under Ascott Management Contracts only.
2. Refers to the largest contributing industry for corporate clients with multiple business operations.

6.8 Managed by an Experienced and Professional Management Team

The Managers have experienced and well-qualified management personnel to handle the day-to-day operations of the Managers and CLAS. Information on the business and working experience of the management team of the Managers as at the Latest Practicable Date is set out under “*Management – Management Team of the Managers*”.

6.9 Leadership in Sustainability

CLAS is dedicated to sustainable growth, aligning with CapitaLand's 2030 Sustainability Master Plan to deliver economic value and support community wellbeing. CLAS has set ambitious environmental, social and governance (“**ESG**”) goals, including Science Based Targets initiative-approved carbon reduction targets, aligned with a 1.5°C scenario. CLAS' Boards oversee sustainability, integrating ESG into strategic decisions and linking executive pay to performance. CLAS is one of the few listed trusts in Singapore to publish an externally assured sustainability report in accordance with ISAE 3000 since FY2022. Recognised by global indices like GRESB, CLAS is committed to enhancing sustainability through ongoing adoption of impactful ESG practices.

In recognition of CLAS' leadership in sustainability, CLAS has been named Global Sector Leader (Listed – Hotel) and ranked first in the Asia Pacific Hotel – Listed category in the GRESB Real Estate Assessment for three consecutive years. In addition, CLAS was included as a constituent of iEdge-UOB APAC Yield Focus Green REIT Index in 2023, while ranking in the 89th percentile of real estate investment trust globally based on the S&P Corporate Sustainability Assessment.

CLAS was also the first lodging trust globally and the first listed real estate investment trust in Singapore to issue a sustainability-linked bond with its S\$200 million sustainability-linked bond issuance under its Sustainability-Linked Finance Framework under the Programme in April 2022.

7. REPATRIATION OF CASH

The distributable income of CLAS is substantially based on the cash operating profits of all the Properties in CLAS' portfolio. There are various avenues by which cash may be repatriated from the Property Companies to CLAS:

- (a) dividend income received by CLAS via the Property Holding Companies;
- (b) repayment of shareholders' loans extended within CLAS, the Property Holding Companies and Property Companies; and
- (c) incurrence of borrowings by CLAS to address constraints in the repatriation of cash and dividends by certain Property Companies. This will be partially offset by the use of the unrepatriated cash to repay third party borrowings at the overseas level such that the overall gearing of CLAS is substantially maintained.

8. RECENT DEVELOPMENTS

8.1 On 19 April 2024, the Managers announced the appointment of Deloitte & Touche LLP as the auditors of CLAS in place of the retiring auditors, KPMG LLP at CLAS' annual general meeting held on 19 April 2024.

8.2 On 24 April 2024, CLAS' business updates for the first quarter ended 31 March 2024 (the "**1Q2024 Business Updates**") was announced on the SGX-ST. As stated in the 1Q2024 Business Updates, CLAS' gearing ratio was 37.7% and has available debt headroom of approximately S\$2.0 billion before reaching the 50.0% aggregate leverage limit as at 31 March 2024.

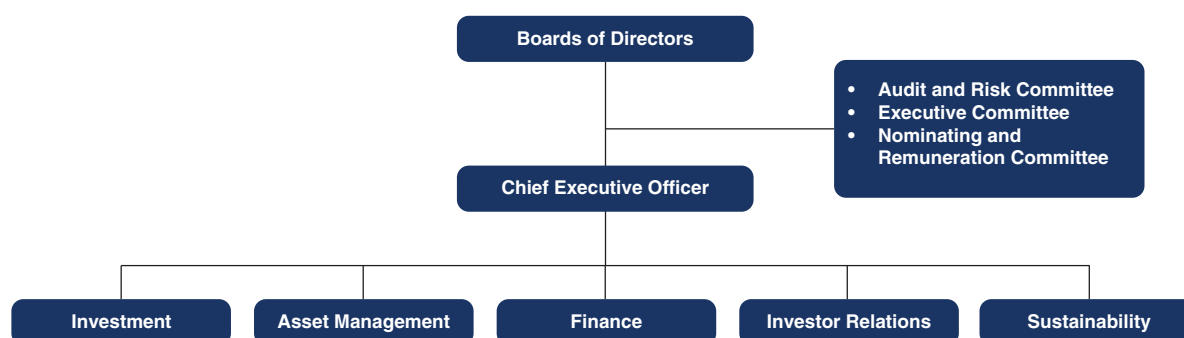
As at 31 March 2024, CLAS has approximately S\$1.24 billion of available funds to meet its financial and operational obligations, comprising of S\$761 million of available credit facilities and S\$474 million of cash on-hand.

8.3 On 4 June 2024, the Managers announced that CLAS has acquired the remaining 10% stake in Standard at Columbia. The acquisition is funded by proceeds from CLAS' earlier divestments. As at the date of this Information Memorandum, CLAS holds a 100% stake in Standard at Columbia.

MANAGEMENT

ORGANISATION STRUCTURE

The organisation structure of the Managers is set out below.



THE BOARDS OF THE MANAGERS

The Boards oversee the Managers' strategic direction, performance and affairs and foster the success of CLAS so as to deliver sustainable value over the long term to Stapled Securityholders. The Boards provide overall guidance to Management, and work with Management to achieve CLAS' objectives and long-term success. Management is accountable to the Boards in respect of its performance in the management of CLAS.

The Boards establish goals for Management and monitor the achievement of these goals. The Boards ensure that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. The Boards also set the disclosure and transparency standards for CLAS and ensure that obligations to Stapled Securityholders and other stakeholders are understood and met.

The Boards meet regularly and as and when warranted by particular circumstances as deemed appropriate by the members of the Boards. Meetings of the Boards and Board committees are scheduled prior to the start of each financial year in consultation with the Directors. In addition to scheduled meetings, the Boards may also hold ad hoc meetings as required by business imperatives. At each scheduled meeting of the Boards, the Boards are apprised of, among others, updates on CLAS' business and operations, decisions made by the Board committees, financial performance, budgetary and capital management related matters, and any risk management issues that materially impact CLAS' operations or financial performance. This allows the Boards to develop a good understanding of the progress of CLAS' business as well as the issues and challenges faced by CLAS, and also promotes active engagement with Management.

The Boards have established various Board committees to assist them in the discharge of their functions. These Board committees are the Audit and Risk Committee, the Executive Committee and the Nominating and Remuneration Committee. Each of these Board committees operates under delegated authority from the Boards with the Boards retaining overall oversight. The decisions and significant matters discussed at the respective Board committees are reported to the Boards on a periodic basis. The Boards may form other Board committees from time to time as required.

As CapitaLand Ascott REIT and CapitaLand Ascott BT are stapled, the composition of the Boards of both the Managers is identical to avoid any differences or deadlock in the operation of the Stapled Group.

The Boards consist of eight members, five of whom are Non-Executive Independent Directors, two of whom are Non-Executive and Non-Independent Directors and one of whom is the Chief Executive Officer and Executive Non-Independent Director. Information on the business and working experience of each of the Directors on the Boards as at the date of this Information Memorandum is set out below:

Mr Lui Chong Chee

Chairman and Non-Executive Independent Director

Mr Lui Chong Chee was appointed as the Chairman of the Boards on 22 April 2024 and is a Non-Executive Independent Director (“**NEID**”) of the Boards. He is also the chairman of the Nominating and Remuneration Committee (“**NRC**”).

Mr Lui previously served as a NEID, Board Chairman and NRC member of CapitaLand Malaysia REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Trust). Prior to that, he also served as the Managing Director and Chief Executive Officer of Far East Orchard Limited and the Chief Financial Officer of Raffles Medical Group Limited. In addition, he previously held senior management roles at CapitaLand Group including Group Chief Financial Officer of CapitaLand Limited, Chief Executive Officer of CapitaLand Residential Limited and CapitaLand Financial Limited. During his tenure, he served as a director of manager of several listed REITs managed by CapitaLand Group, including the REIT Manager. Before joining CapitaLand Group, he was the Managing Director of Citicorp Investment Bank (Singapore) Limited.

Mr Lui was named Asia Best Chief Financial Officer by Institutional Investor Magazine in 2004 and 2005 and Best Chief Executive Officer (mid-cap) at the Singapore Corporate Awards in 2019.

Mr Lui holds a Bachelor of Science in Business Administration and a Master of Business Administration, each from New York University in the United States of America (“**USA**”). He also graduated from the Advanced Management Program at Harvard Business School in the USA.

Ms Teo Joo Ling, Serena

Chief Executive Officer and Executive Non-Independent Director

Ms Teo Joo Ling, Serena was appointed as Chief Executive Officer on 1 July 2022. Ms Teo is also a member of the Executive Committee. Ms Teo brings with her over 25 years of work experience spanning both private and public sectors.

Prior to joining the Managers, Ms Teo had been with the Ascendas Group for over 12 years. She was the Head, Portfolio Management for the manager of CapitaLand Ascendas Real Estate Investment Trust (formerly known as Ascendas Real Estate Investment Trust) and was responsible for formulating and executing business strategies to maximise the income and asset value of the REIT’s properties. Her role also involved overseeing the property managers in the delivery of marketing and leasing, property management, lease management, customer care services and asset enhancement initiatives. Previously, Ms Teo also held various positions including Head of Operations and Services, Head of Group Strategy Management, Vice President of Fund Management of Ascendas India Development Trust.

Prior to Ascendas Group, Ms Teo was in the Singapore Economic Development Board and EDB Investments where she spent more than 10 years in the development of the semiconductors and other electronics industries in Singapore, as well as direct equity investments in communications, software and logistics companies. She started her career as an engineer in Chartered Semiconductors.

Ms Teo holds a Master in Business Administration from INSEAD and a Bachelor in Electrical and Electronic Engineering (Honours) degree from the National University of Singapore.

Mr Sim Juat Quee Michael Gabriel***Non-Executive Independent Director***

Mr Sim Juat Quee Michael Gabriel is a Non-Executive Independent Director of the Boards. He is also the Chairman of the Audit and Risk Committee.

Mr Sim is an Executive Director of Platanetree Capital Pte. Ltd.. He also serves as a member of the Board of Governors of Catholic Welfare Services, a member of the Advisory Committee of the Accounting Standard for Statutory Boards and the Chairman of the Archdiocesan Audit Committee of the Roman Catholic Archdiocese of Singapore.

Mr Sim was a member of the Board of Jurong Town Corporation from April 2018 to March 2024 and an Advisory and Assurance Partner with Ernst & Young from 1995 to 2015.

Mr Sim is a Fellow of the Association of Chartered Certified Accountants, UK, the Institute of Singapore Chartered Accountants and CPA Australia. He is also a Certified Fraud Examiner of the Association of Certified Fraud Examiners.

Mr Sim graduated from the University of South Australia, Australia with a Master of Business Administration.

Mr Chia Kim Huat***Non-Executive Independent Director***

Mr Chia Kim Huat is a Non-Executive Independent Director of the Boards. He is also a member of the Audit and Risk Committee.

Mr Chia is a partner of Rajah & Tann Singapore LLP and the Regional Head, Corporate and Transactional Practice. He is a non-executive independent director of a listed company, SATS Ltd. In addition, he is a council member of Singapore Chinese Chamber of Commerce & Industry and a legal advisor of China Enterprises Association, Embassy of the People's Republic of China in the Republic of Singapore and Singapore-Chinese Business Association. He is also a director of Singapore Centre for Chinese Language, advisory board member of Dunman High School and committee member of FutureChina & GoEast, Business China.

Mr Chia had also previously served as a director of other listed companies, namely Ascendas Hospitality Fund Management Pte. Ltd., Ascendas Hospitality Trust Management Pte. Ltd. (collectively, the Managers of Ascendas Hospitality Trust) and PEC Limited.

Mr Chia graduated from the National University of Singapore with a Bachelor of Laws (Honours) and is currently an Advocate & Solicitor, Supreme Court of Singapore.

Ms Deborah Lee Siew Yin***Non-Executive Independent Director***

Ms Deborah Lee Siew Yin is a Non-Executive Independent Director of the Boards. She is also a member of the Audit and Risk Committee and the Nominating and Remuneration Committee.

Ms Lee is also currently a Director and Chairman of Audit Committee of Metro Holdings Limited. She is also a director of WTL Capital Pte Ltd. and Prime Ventures Holding Ltd. In addition, she is a member of the Board of Trustees and the Chairperson of the Finance Committee of Singapore University of Technology and Design.

Ms Lee was previously Executive Vice-President, Corporate Development of Singapore Press Holdings Ltd. (“SPH”). Prior to joining SPH, she was a consultant, specialising in corporate development work and mergers and acquisitions. Before her consultancy work, Ms Lee was Senior Vice-President, Business Development at the Wuthelam Group, overseeing the establishment of the industrial electronics business, real estate business development and private equity investment for the group in the region.

Ms Lee holds a Bachelor of Accountancy (Honours) and a Degree of Master of Science (Applied Finance), each from the National University of Singapore. She is also a Chartered Financial Analyst and Member of the CFA Institute.

Mr Max Loh Khum Whai

Non-Executive Independent Director

Mr Max Loh Khum Whai is the Non-Executive Independent Director of the Boards. He is also a member of the Audit and Risk Committee.

Mr Loh is a Non-Executive Independent Director of another listed company, Samudera Shipping Line Ltd. He is also a non-executive director of SPH Media Holdings Pte. Ltd., Building & Construction Authority and Singapore Institute of Directors. He also serves as a non-executive director of charitable organisations, namely Stroke Support Station and ISCA Cares Limited. In addition, he is Chairman of the Competition & Consumer Commission of Singapore and Fair Tenancy Industry Committee.

Mr Loh was formerly the Managing Partner (Asean & Singapore) of Ernst & Young from 2011 to 2022.

Mr Loh was awarded the Public Service Medal in 2022.

Mr Loh holds a Bachelor of Accountancy (Honours) from the National University of Singapore. He is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants, a Fellow Certified Public Accountant of CPA Australia and a Fellow Member of the Singapore Institute of Directors.

Mr Goh Soon Keat Kevin

Non-Executive Non-Independent Director

Mr Goh Soon Keat Kevin is a Non-Executive Non-Independent Director of the Boards. He is also the Chairman of the Executive Committee and a member of the Nominating and Remuneration Committee.

Mr Goh is the Chief Executive Officer, Lodging, CapitaLand Investment Limited and concurrently the Chief Executive Officer of the Sponsor. He is also a director of CapitaLand India Trust Management Pte. Ltd. (the trustee-manager of CapitaLand India Trust) and another listed company, Jollibee Foods Corporation.

Mr Goh was previously the Sponsor’s Chief Operating Officer, a role he assumed since 1 December 2016, where he oversaw operational aspects of the serviced residence business and new growth opportunities. Prior to that, he was the Sponsor’s Managing Director for North Asia since 2013, responsible for the Sponsor’s investments and operations in China, Japan and Korea. Since joining Ascott China in 2007, Mr Goh was based in China for over 10 years. During his stay in China, he took on various leadership positions such as Regional General Manager for South & East China, Vice President for Asset Management and Vice President for Corporate Services.

Prior to joining the Sponsor, Mr Goh was with Accenture, one of Fortune 500's largest global management consulting, technology services and outsourcing companies. Throughout his seven-year career with Accenture, he worked on various systems implementation projects in the telecommunications and high-technology industries in both Singapore and Australia.

Mr Goh holds a Bachelor of Mechanical Engineering (Honours) from the National University of Singapore and is a Chartered Financial Analyst and Member of the CFA Institute.

Ms Beh Siew Kim

Non-Executive Non-Independent Director

Ms Beh Siew Kim is a Non-Executive Non-Independent Director of the Boards. She is also a member of the Executive Committee.

Ms Beh served as the Chief Executive Officer from 1 May 2017 to 30 June 2022. She has over 30 years of experience in financial, investment, asset management, corporate planning, compliance and audit.

Ms Beh is currently the Chief Financial and Sustainability Officer, Lodging at CapitaLand Investment Limited, with a concurrent role as Managing Director, Japan and Korea at The Ascott Limited. Ms Beh is also a Director of Focus on the Family Singapore Limited and serves as a member of its Audit & Risk Committee and HR & Remuneration Committee.

Ms Beh has been with the CapitaLand Group for more than 15 years, and was the Head, Corporate Planning and Compliance/Financial Controller at CapitaLand China prior to joining the Managers. She was responsible for the corporate planning, financial reporting, forecasting, capital management and compliance functions of CapitaLand China. As a member of the senior management team, Ms Beh was actively involved in deal analysis, investor relations, as well as private and institutional financing. In her 10 years with CapitaLand China, she participated in the set-up of private equity funds, investment and divestment deals.

Before joining the CapitaLand Group, Ms Beh held other finance and audit positions in SembCorp Industries Limited, Ernst & Young and Arthur Andersen. She holds a Bachelor of Business (Accounting) from the University of Tasmania, Australia, and is a member of the Institute of Singapore Chartered Accountants.

MANAGEMENT TEAM OF THE MANAGERS

Information on the business and working experience of the management team of the Managers as at the date of this Information Memorandum is set out below:

Ms Teo Joo Ling Serena

Chief Executive Officer and Executive Non-Independent Director

Please refer to "*Management – The Boards of the Managers – Ms Teo Joo Ling Serena*".

Ms Kang Siew Fong

Chief Financial Officer

Ms Kang heads the finance team and is responsible for the performance management and reporting functions at CLAS. Ms Kang has more than 30 years' experience in the finance profession.

Prior to joining the Managers, Ms Kang was with the Sponsor for more than 13 years, holding various positions including Vice President, Finance and Vice President, Business Development and Planning. While at the Sponsor, she was responsible for all aspects of the Sponsor's financial management and accounting, including preparation of the group consolidated accounts and quarterly reporting of financial results to the SGX-ST, co-ordinating with external auditors, and ensuring compliance with statutory reporting requirements and financial reporting standards. Ms Kang was involved in merger and acquisition activities at the Sponsor, and the formulation and implementation of its financial policies and practices, budgeting and internal controls. She was also a member of the team responsible for the listing of CapitaLand Ascott REIT (previously known as Ascott Real Estate Investment Trust) in 2006.

Ms Kang graduated from the National University of Singapore with a Bachelor of Accountancy degree. She is also a Chartered Accountant of the Institute of Singapore Chartered Accountants.

Mr Chan Kin Leong Gerry

Managing Director, REITS Investments

Mr Chan heads the investment and asset management functions of the Managers, and oversees CLAS' investments, divestments, portfolio management and asset enhancements. He has over two decades of relevant experience, and has assumed various leadership positions in investment, asset management and capital markets.

Prior to joining the Managers, Mr Chan was Vice President, Business Development for CapitaLand Retail and was with CapitaLand's Retail Division for eight years. During this period, he headed the investment functions of both CapitaLand Mall Trust and CapitaLand Malaysia Mall Trust. He was also the investment and asset manager responsible for various large-scale asset enhancement initiatives including the redeveloped Funan mixed-use project.

Mr Chan graduated from Nanyang Technological University, Singapore with Master of Business and Bachelor of Accountancy degree. He is also a Chartered Financial Analyst.

Ms Wong Xiao Fen Denise

Head, Investor Relations and Sustainability

Ms Wong heads the investor relations and sustainability functions of the Managers. She is responsible for providing strategic counsel to senior management and facilitating timely and effective communication with the investment community. In addition, she drives the sustainability efforts for CLAS, and is instrumental in elevating CLAS' commitment towards ESG and achieving its sustainability ambitions.

Ms Wong brings with her over 10 years of relevant experience. Prior to joining the Managers, Ms Wong assumed positions in the manager of Far East Hospitality Trust, where she was instrumental in the investor relations, asset management and compliance of the trust, and Financial PR Pte. Ltd., where she provided investor relations counsel to Singapore-listed companies in the real estate, construction and technology sectors. Ms Wong also held positions in wealth management and financial advisory functions.

Ms Wong obtained her Bachelor of Business Management from the Singapore Management University, with majors in Finance (Wealth Management) and Marketing. Ms Wong also obtained the International Certificate in Investor Relations from the Investor Relations Society of UK and Advanced Certificate in Sustainability & Sustainable Businesses from the Singapore Management University.

INFORMATION ON THE PROPERTIES

As at 31 March 2024, CLAS' portfolio comprises 102 properties¹³, of which 93 Properties are held under CapitaLand Ascott REIT, with the remaining nine Properties held under CapitaLand Ascott BT.

1. PROPERTIES HELD UNDER CAPITALAND ASCOTT REIT

Information on the 96 Properties¹⁴ held under CapitaLand Ascott REIT as at 31 December 2023 are set out in the tables below.

Australia (eight properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
1 Citadines Connect Sydney Airport	113-121 Baxter Road, Mascot, NSW 2020, Australia	150	54.6	Freehold	100.0%
2 Citadines on Bourke Melbourne	131 – 135 Bourke Street, Melbourne, Victoria 3000, Australia	380	153.3	Freehold	100.0%
3 Citadines St Georges Terrace Perth	185 St Georges Terrace, Perth, WA 6000, Australia	85	17.0	Freehold	100.0%
4 Quest Campbelltown ¹⁵	1 Rennie Road, Woodbine, NSW 2560, Australia	81	21.2	Freehold	100.0%
5 Quest Cannon Hill ¹⁵	930 Wynnum Road, Cannon Hill, Brisbane, QLD 4170, Australia	100	28.4	Freehold	100.0%

¹³ Including (i) Somerset Liang Court Singapore which is currently under development and (ii) Novotel Sydney Paramatta which is currently in the process of being divested.

¹⁴ Including (i) Citadines Mount Sophia Singapore, Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West which were divested in March 2024 but excluding Teriha Ocean Stage which was acquired in January 2024. See paragraphs 5.1 and 6.6, "Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment" and "Description of CapitaLand Ascott Trust – 6.6 Strong Acquisition Track Record" for further details.

¹⁵ Quest Campbelltown, Quest Cannon Hill, Quest Macquarie Park Sydney, Quest Mascot and Quest Sydney Olympic Park are under Master Lease arrangements. See paragraphs 4.1(b) and 4.3, "Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.1 Properties held under CapitaLand Ascott REIT – (b) Master Leases" and "Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases" for further details.

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
6 Quest Macquarie Park Sydney ¹⁶	71 Epping Road, Macquarie Park, Sydney, NSW, Australia	111	40.4	Freehold	100.0%
7 Quest Mascot ¹⁶	108 – 114 Robey Road, Mascot, NSW 2020, Australia	91	23.9	Freehold	100.0%
8 Quest Sydney Olympic Park ¹⁶	6 Edwin Flack Avenue, Sydney Olympic Park NSW 2127, Australia	140	41.1	Leasehold of 99 years ¹⁷	100.0%

Belgium (two properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
9 Citadines Sainte-Catherine Brussels	51, quai au Bois à Brûler, 1000 Brussels, Belgium	169	41.3	Freehold	100.0%
10 Citadines Toison d'Or Brussels	61-63, Avenue de la Toison d'Or, 1060 Brussels, Belgium	155	33.2	Freehold	100.0%

¹⁶ Quest Campbelltown, Quest Cannon Hill, Quest Macquarie Park Sydney, Quest Mascot and Quest Sydney Olympic Park are under Master Lease arrangements. See paragraphs 4.1(b) and 4.3, “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.1 Properties held under CapitaLand Ascott REIT – (b) Master Leases” and “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases” for further details.

¹⁷ Expiring in 2111.

China (five properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
11 Citadines Xinghai Suzhou	Block 27, Jiacheng Gardens 58 Xinghai Street, Suzhou Industrial Park, Suzhou 215021, China	167	22.2	Leasehold of 70 years ¹⁸	100.0%
12 Citadines Zhuankou Wuhan	159 Dongfeng Avenue (Xianglong Business Centre Zone C), Wuhan Economic and Technological Development Zone, Wuhan 430056, Hubei Province, China	249	30.4	Leasehold of 40 years ¹⁹	100.0%
13 Somerset Grand Central Dalian	No. 128-2 Jinma Road, Dalian Development Area, Dalian 116600, China	195	70.2	Leasehold of 50 years ²⁰	100.0%
14 Somerset Heping Shenyang	80 Taiyuan North Street, Heping District, Shenyang 110000, China	270	53.0	Leasehold of 40 years ²¹	100.0%
15 Somerset Olympic Tower Property Tianjin ²²	126, Chengdu Road, Heping District, Tianjin 300051, China	185	52.3	Leasehold of 70 years ²³	100.0%

¹⁸ Expiring in 2066.

¹⁹ Expiring in 2043.

²⁰ Expiring in 2056.

²¹ Expiring in 2046.

²² The valuation of Somerset Olympic Tower Property Tianjin is in respect of the serviced residence portion of Somerset Olympic Tower Property Tianjin and excludes the commercial podium of 6,194 sqm which is leased by CapitaLand Ascott REIT under a 33-year master lease (expiring in 2039).

²³ Expiring in 2062.

France (12 properties)²⁴

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
16 Citadines Antigone Montpellier	588, boulevard d'Antigone, 34000 Montpellier, France	122	10.6	Freehold	100.0%
17 Citadines Austerlitz Paris	27, rue Esquirol, 75013 Paris, France	50	10.1	Freehold	100.0%
18 Citadines Les Halles Paris	4, rue des Innocents, 75001 Paris, France	189	81.6	Freehold	100.0%
19 Citadines Maine Montparnasse Paris	67, avenue du Maine, 75014 Paris, France	67	22.7	Freehold	100.0%
20 Citadines Montmartre Paris	16, avenue Rachel, 75018 Paris, France	111	34.1	Freehold	100.0%
21 Citadines Place d'Italie Paris	18, place d'Italie, 75013 Paris, France	169	51.6	Freehold	100.0%
22 Citadines Presqu'île Lyon	2 rue Thomassin, 69002 Lyon, France	116	18.6	Freehold	100.0%
23 Citadines Republique Paris	75 bis, avenue Parmentier, 75011 Paris, France	76	25.1	Freehold	100.0%
24 Citadines Tour Eiffel Paris	132, Boulevard de Grenelle, 75015 Paris, France	104	66.7	Freehold	100.0%
25 Citadines Trocadéro Paris	29 bis, rue Saint-Didier, 75116 Paris, France	97	47.9	Freehold	100.0%
26 La Clef Louvre Paris	8 rue de Richelieu, 75001 Paris, France	51	53.1	Freehold	100.0%
27 La Clef Tour Eiffel Paris	83 avenue Kléber, 75016 Paris, France	112	145.9	Freehold	100.0%

²⁴ The 12 Properties in France are under Master Lease arrangements. See paragraphs 4.1(b) and 4.3, "Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.1 Properties held under CapitaLand Ascott REIT – (b) Master Leases" and "Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases" for further details.

Germany (five properties)²⁵

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
28 Citadines Arnulfpark Munich	Arnulfstrasse 51, 80636 Munchen, Germany	146	38.9	Freehold	99.0%
29 Citadines City Centre Frankfurt	Europa-Allee 23, 60327 Frankfurt am Main, Germany	165	55.8	Freehold	93.0%
30 Citadines Kurfurstendamm Berlin	Olivaer Platz 1, 10707 Berlin-Wilmersdorf, Germany	117	22.4	Freehold	100.0%
31 Citadines Michel Hamburg	Ludwig-Erhard-Straße 7, 20459 Hamburg, Germany	127	50.5	Leasehold of 99 years ²⁶	92.9%
32 The Madison Hamburg	Schaarsteinweg 4, 20459 Hamburg, Germany	166	87.4	Freehold	100.0%

Indonesia (three properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
33 Ascott Jakarta	Jalan Kebon Kacang Raya No. 2, Jakarta 10230, Indonesia	204	54.2	Leasehold of 30 years ²⁷	100.0%
34 Ascott Kuningnan Jakarta	Ciputra World 1 Jalan Prof Dr Satrio Kav. 3-5 Jakarta 12940, Indonesia	185	55.9	Leasehold of 30 years ²⁸	100.0%

²⁵ The five Properties in Germany are under Master Lease arrangements. See paragraphs 4.1(b) and 4.3, “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.1 Properties held under CapitaLand Ascott REIT – (b) Master Leases” and “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases” for further details.

²⁶ Expiring in 2111.

²⁷ Expiring in 2054.

²⁸ Expiring in 2027.

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
35 Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav. 1, Jakarta 12940, Indonesia	199 ²⁹	35.7	Leasehold of 20 years ³⁰	57.4%

Japan (31 properties)³¹

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
36 Citadines Central Shinjuku Tokyo	1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021, Japan	206	111.0	Freehold	100.0%
37 Citadines Karasuma-Gojo Kyoto	432 Matsuya-cho, Gojo-dori Karasuma-Higashiiru, Shimogyo-ku, Kyoto 600-8105, Japan	124	41.2	Freehold	100.0%
38 Citadines Shinjuku Tokyo	1-28-13 Shinjuku, Shinjuku-ku, Tokyo 1600022, Japan	160	82.9	Freehold	100.0%
39 Hotel WBF Honmachi ³²	4-4-10, Kitakyuhohjimachi, Chuo-ku, Osaka 541-0057, Japan	182	28.4	Freehold	100.0%
40 Hotel WBF Kitasemba East ³²	2-6-8 Awajicho, Chuo-ku, Osaka 541-0047, Japan	168	29.1	Freehold	100.0%
41 Hotel WBF Kitasemba West ³²	3-2-7, Awajicho, Chuo-ku, Osaka 541-0047, Japan	168	29.4	Freehold	100.0%

²⁹ This figure includes 36 rental housing units.

³⁰ Expiring in 2044.

³¹ Including Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West which were divested in March 2024 but excluding Teriha Ocean Stage which was acquired in January 2024. See paragraphs 5.1 and 6.6, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” and “Description of CapitaLand Ascott Trust – 6.6 Strong Acquisition Track Record” for further details.

³² Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West were divested in March 2024. See paragraphs 5.1, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” for further details.

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
42 Sotetsu Grand Fresa Tokyo-Bay Ariake ³³	3-6-6 Ariake Koto-ku, Tokyo 135-0063, Japan	912	261.2	Freehold	100.0%
43 Eslead College Gate Kindaimae ³³	19-28, 3-chome Kowakae, Higashiosaka-shi, Osaka 577-0818, Japan	112	16.9	Freehold	100.0%
44 Actus Hakata V-Tower	3-15-10, Hakata Ekimae, Hakata-ku, Fukuoka, Japan	296	40.4	Freehold	100.0%
45 Alpha Square Kita 15 jo	2-5, Kita 15 jo Higashi 1-chome, Higashi-ku, Sapporo-shi, Hokkaido, Japan	127	21.8	Freehold	100.0%
46 Big Palace Kita 14 jo	4-1-6, Kita 14 jo Nishi, Kita-ku, Sapporo-shi, Hokkaido, Japan	140	17.6	Freehold	100.0%
47 Big Palace Minami 5 jo	3-1, Minami 5 jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido, Japan	158	23.6	Freehold	100.0%
48 City Court Kita 1 jo	6-3, Kita 1 jo Higashi 1-chome, Chuo-ku, Sapporo-shi, Hokkaido, Japan	126	23.7	Freehold	100.0%
49 Eslead Residence Bentencho Grande	15-44, Benten 5-chome, Minato-ku, Osaka-shi, Osaka, Japan	120	18.5	Freehold	100.0%
50 Eslead Residence Osaka Fukushima East	8-7, Sagisu 5-chome, Fukushima-ku, Osaka, Japan	108	19.2	Freehold	100.0%
51 Eslead Residence Umeda Grande	9-3, Nakatsu 4-chome, Kita-ku, Osaka-shi, Osaka, Japan	70	11.9	Freehold	100.0%

³³ Sotetsu Grand Fresa Tokyo-Bay Ariake and Eslead College Gate Kindaimae are under Master Lease arrangements. See paragraphs 4.1(b) and 4.3, “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.1 Properties held under CapitaLand Ascott REIT – (b) Master Leases” and “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases” for further details.

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
52 Granfore Hakata Waterfront	104-2, Sekijomachi, Hakata-ku, Fukuoka, Japan	247	40.5	Freehold	100.0%
53 Gravis Court Kakomachi	13-10, Kakomachi, Naka-ku, Hiroshima, Japan	63	6.1	Freehold	100.0%
54 Gravis Court Kokutaiji	2-1-9, Kokutaijimachi, Naka-ku, Hiroshima, Japan	48	4.5	Freehold	100.0%
55 Gravis Court Nishiharaekimae	8-38-10, Nishihara, Asaminami-ku, Hiroshima, Japan	29	3.8	Freehold	100.0%
56 House Saison Shijo-Dori	47-2, Kasaboko-cho, Shimogyo-ku, Kyoto, Japan	190	27.3	Freehold	100.0%
57 Infini Garden	3-2-2, 3, 4, 5 KashiiTeriha, Higashi-ku, Fukuoka, Japan	389	76.3	Freehold	100.0%
58 Marunouchi Central Heights	3-23-6 Marunouchi, Naka-ku, Nagoya city, Aichi, Japan	30	6.7	Freehold	100.0%
59 Roppongi Residences Tokyo	3-4-31 Roppongi, Minato-ku, Tokyo 106-0032, Japan	64	35.0	Freehold	100.0%
60 S-Residence Fukushima Luxe	7-22-9, Fukushima, Fukushima-ku, Osaka, Japan	178	30.6	Freehold	100.0%
61 S-Residence Gakuenzaka	2-1-1 Shimodera, Naniwa-ku, Osaka-shi Osaka, Japan	58	12.0	Freehold	100.0%
62 S-Residence Hommachi Marks	2-3-6, Tokuicho, Chuo-ku, Osaka, Japan	110	16.7	Freehold	100.0%
63 S-Residence Midoribashi Serio	3-17-6, Nakamoto, Higashinari-ku, Osaka, Japan	98	15.1	Freehold	100.0%

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
64 S-Residence Namba Viale	3-9-1 Motomachi, Naniwa-ku, Osaka-shi Osaka, Japan	116	16.9	Freehold	100.0%
65 S-Residence Shukugawa	2-88 Kamizono-cho, Nishinomiya city, Hyogo, Japan	33	7.2	Freehold	100.0%
66 S-Residence Tanimachi 9 chome	4-29, Ikutamamaemachi, Tennoji-ku, Osaka, Japan	102	17.8	Freehold	100.0%

Malaysia (one property)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
67 Somerset Kuala Lumpur	187, Jalan Ampang 50450, Kuala Lumpur, Malaysia	205	35.2	Freehold	100.0%

The Philippines (two properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
68 Ascott Makati	Glorietta 4, Ayala Centre, Makati City 1224, The Philippines	362	96.4	Contract of Lease of 48 years ³⁴	100.0%
69 Somerset Millennium Makati	104 Aguirre Street, Legaspi Village, Makati City 1229, The Philippines	118	13.7 ³⁵	Freehold	63.0%

³⁴ Expiring in 2044.

³⁵ Valuation commissioned for the 65 units (out of the 118 units) held by CapitaLand Ascott REIT at Somerset Millennium Makati.

Singapore (five properties)³⁶

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
70 Ascott Orchard Singapore	11 Cairnhill Road, Singapore 229724, Singapore	220	435.0	Leasehold of 99 years ³⁷	100.0%
71 Citadines Mount Sophia Property Singapore ³⁸	8 Wilkie Road, #01-26 Wilkie Edge, Singapore 228095, Singapore	154	124.0	Leasehold of 96 years ³⁹	100.0%
72 lyf one-north Singapore	80 Nepal Park, Singapore 139409, Singapore	324	145.0	Grant of lease for a term of 60 years ⁴⁰	100.0%
73 The Robertson House by The Crest Collection (formerly known as Riverside Hotel Robertson Quay)	1 Unity Street, Singapore 237983, Singapore	336	359.8	Leasehold of 99 years ⁴¹	100.0%
74 Somerset Liang Court Property Singapore ⁴²	177B River Valley Road, Singapore 179032, Singapore	192	268.0	Leasehold of 99 years ⁴³	100.0%

Spain (one property)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
75 Citadines Ramblas Barcelona	Ramblas 122, 08002 Barcelona, Spain	131	71.7	Freehold	100.0%

³⁶ Including Citadines Mount Sophia Singapore which was divested in March 2024. See paragraph 5.1, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” for further details.

³⁷ Expiring in 2113.

³⁸ Divested in March 2024. See paragraph 5.1, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” for further details.

³⁹ Expiring in 2105.

⁴⁰ Expiring in 2078.

⁴¹ Expiring in 2105.

⁴² As disclosed in the announcement dated 21 November 2019, partial interest in the land was divested and the retained interest in the land is currently being redeveloped into a new serviced residence property with 192 units (number of units may be subject to change). The site works commenced in mid-July 2021 and the substructure works are ongoing and targeted to complete in 2024. The development is expected to complete in 2026.

⁴³ Expiring in 2120.

United Kingdom (five properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
76 Citadines Barbican London	7-21 Goswell Road, London EC1M 7AH, United Kingdom	129	84.2	Freehold	100.0%
77 Citadines Holborn-Covent Garden London	94-99 High Holborn, London WC1V 6LF, United Kingdom	192	168.4	Freehold	100.0%
78 Citadines South Kensington London	35A Gloucester Road, London SW7 4PL, United Kingdom	92	76.2	Freehold	100.0%
79 Citadines Trafalgar Square London	18/21 Northumberland Avenue, London WC2N 5EA, United Kingdom	187	194.5	Freehold	100.0%
80 The Cavendish London	81 Jermyn St, St. James's, London SW1Y 6JF, United Kingdom	230	367.2	Leasehold of 150 years ⁴⁴	100.0%

United States (11 properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
81 Element New York Times Square West	311 West 39th Street, New York, New York 10018, United States of America	411	171.0	Leasehold of 99 years ⁴⁵	100.0%
82 Paloma Kent	1450 E Summit Street, Kent, Ohio 44240, The United States of America	126	45.2	Leasehold of 99 years ⁴⁶	100.0%

⁴⁴ Expiring in 2158.

⁴⁵ Expiring in 2112.

⁴⁶ Expiring in 2117.

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
83 Paloma Raleigh	5701 Hillsborough Street, Raleigh, North Carolina 27606, The United States of America	180	90.3	Freehold	100.0%
84 Paloma University City	3600 Lancaster Avenue, Philadelphia, Pennsylvania 19104, The United States of America	126	81.0	Freehold	100.0%
85 Paloma West Midtown	800 Marietta Street NW, Atlanta, Georgia 30318, The United States of America	183	155.3	Freehold	100.0%
86 Seven07	707 South Fourth Street, Champaign, Illinois 61820, The United States of America	218	121.4	Freehold	100.0%
87 Sheraton Tribeca New York Hotel	370 Canal Street, New York, New York 10013, United States of America	369	191.8	Leasehold of 99 years ⁴⁷	100.0%
88 Standard at Columbia	1401 Assembly Street, Columbia, South Carolina 29201, The United States of America	247	158.0	Freehold	90.0% ⁴⁸
89 Uncommon Wilmington	2421 Playa Way, Wilmington, North Carolina 28403, The United States of America	150	75.9	Freehold	100.0%
90 voco Times Square South	343 West 36th Street, New York, New York 10018, The United States of America	224	183.0	Freehold	100.0%

⁴⁷ Expiring in 2112.

⁴⁸ CLAS acquired the remaining 10% stake in Standard at Columbia in June 2024.

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
91 Wildwood Lubbock	1701 N Quaker Avenue, Lubbock, Texas 79416, The United States of America	294	111.3	Freehold	100.0%

Vietnam (five properties)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
92 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	132	22.9	Leasehold of 64 years ⁴⁹	100.0%
93 Somerset Chancellor Court Ho Chi Minh City	21-23 Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam	172	38.8	Leasehold of 48 years ⁵⁰	67.0%
94 Somerset Grand Hanoi	49 Hai Ba Trung Street, Hanoi, Vietnam	185	72.9	Leasehold of 45 years ⁵¹	76.0%
95 Somerset Ho Chi Minh City	8A Nguyen Binh Khiem Street, District 1, Ho Chi Minh City, Vietnam	198	32.1	Leasehold of 45 years ⁵²	58.7%
96 Somerset Hoa Binh Hanoi	106 Hoang Quoc Viet Street, Cau Giay, Hanoi, Vietnam	206	26.3	Leasehold of 36 years ⁵³	90.0%

⁴⁹ Expiring in 2075.

⁵⁰ Expiring in 2041.

⁵¹ Expiring in 2038.

⁵² Expiring in 2039.

⁵³ Expiring in 2042.

2. PROPERTIES HELD UNDER CAPITALAND ASCOTT BT

Information on the 10 Properties⁵⁴ held under CapitaLand Ascott BT as at 31 December 2023 are set out in the tables below. Apart from the Property in Ireland, all of these Properties were acquired by CapitaLand Ascott BT on 31 December 2019 pursuant to the Combination.

Australia (six properties⁵⁴)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023 (S\$ million)	Title	Effective Interest held by CLAS
1 Courtyard by Marriott Sydney-North Ryde ⁵⁵	7-11 Talavera Road, North Ryde, NSW 2113, Australia	196	49.6	Freehold	100.0%
2 Novotel Sydney Parramatta ⁵⁶	350 Church Street, Parramatta, NSW 2150, Australia	194	46.0	Freehold	100.0%
3 Pullman and Mercure Brisbane King George Square	Corner Ann and Roma Street, Brisbane, QLD 4000, Australia	438	92.9	Freehold	100.0%
4 Pullman and Mercure Melbourne Albert Park	65 Queens Road, Melbourne, VIC 3004, Australia	378	96.5	Freehold	100.0%
5 Pullman Sydney Hyde Park	36 College Street, Sydney, NSW 2000, Australia	241	147.5	Freehold	100.0%
6 Sydney Central Hotel (formerly known as Novotel Sydney Central)	169-179 Thomas Street, Sydney, NSW 2000, Australia	255	150.2	Freehold	100.0%

⁵⁴ Including (i) Courtyard by Marriott Sydney-North Ryde which was divested in January 2024 and (ii) Novotel Sydney Parramatta which is currently in the process of being divested. See paragraph 5.1, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” for further details.

⁵⁵ Divested in January 2024. See paragraph 5.1, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” for further details.

⁵⁶ Currently in the process of being divested. See paragraph 5.1, “Description of CapitaLand Ascott Trust – 5.1 Proactive Investment and Portfolio Reconstitution – Divestment” for further details.

Japan (one property)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023	Title	Effective Interest held by CLAS
			(S\$ million)		
7 Sotetsu Grand Fresa Osaka-Namba ⁵⁷	1-1-13, Nipponbashi, Chuo-ku, Osaka 542-0073, Japan	698	193.1	Freehold	100.0%

South Korea (two properties⁵⁸)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023	Title	Effective Interest held by CLAS
			(S\$ million)		
8 ibis Ambassador Seoul Insadong	31 Samil-daero 30-gil, Ikseondong, Jongno-gu, Seoul, South Korea	363	81.1	Freehold	98.8%
9 Sotetsu Hotels The Splaisir Seoul Dongdaemun	226 Jangchoongdan-ro, Gwanghui-dong, Jung-gu, Seoul, South Korea	215	81.1	Freehold	98.7%

Ireland (one property)

Property Name	Address	Number of Units	Appraised Value as at 31 December 2023	Title	Effective Interest held by CLAS
			(S\$ million)		
10 Temple Bar Hotel	13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51, Ireland	136	114.9	Freehold	100.0%

⁵⁷ Sotetsu Grand Fresa Osaka-Namba is under a Master Lease arrangement. See paragraphs 4.2(b) and 4.3, “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.2 Properties held under CapitaLand Ascott BT – (b) Master Leases” and “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases” for further details.

⁵⁸ The two Properties in South Korea are under Master Lease arrangements. See paragraphs 4.2(b) and 4.3, “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.2 Properties held under CapitaLand Ascott BT – (b) Master Leases” and “Description of CapitaLand Ascott Trust – 4. Management Contracts and Master Leases – 4.3 Description of the Master Leases” for further details.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, or CLAS or any decision to purchase, own or dispose of the Securities. Additional risks which the Issuers or the Guarantor are currently unaware of may also impair their respective business, assets, financial condition, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS could be materially and adversely affected. In such cases, the ability of the Issuers and the Guarantor to comply with their respective obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investment in the Securities.

Due to the fact that CLAS is a stapled group comprising CapitaLand Ascott REIT and CapitaLand Ascott BT, risk factors for CLAS include considerations relevant to the Securities, collective investment schemes and business trusts.

As an investment in the Securities is meant to produce returns over the long term, investors should not expect to obtain short-term gains.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT or CLAS, prior to making an investment or divestment decision in relation to the Securities issued under the Programme. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if such investor has received information to assist it in making such determination. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor, the Arrangers or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities. Each person receiving this Information Memorandum acknowledges that such person has not relied on any of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, their respective Related Entities (if any), either of the Arrangers, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT, their respective Related Entities (if any), the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisors prior to deciding to make an investment in the Securities.

RISKS ASSOCIATED WITH CLAS' BUSINESS AND OPERATIONS

CLAS is subject to the operating and market risks inherent in the serviced residence, hotel, rental housing and student accommodation industries, and the financial performance of CLAS is dependent on the condition and outlook of the lodging industry, which is in turn susceptible to cyclicity and other factors outside the control of CLAS or the Managers

CLAS' investments are concentrated in serviced residence, hotel, rental housing and student accommodation real estate, and it is subject to the operating and market risks inherent in these industries, which may result in disruption to its business, result in damage to its assets and/or adversely affect the results of operations of CLAS.

In particular, the lodging business is cyclical and sensitive to external and economic changes, and there are a number of factors beyond the control of CLAS or the Managers, and which could affect the financial performance of CLAS, the gross revenue earned from, and the value of, the Properties. These include, but are not limited to, the following:

- condition of, and changes in, the domestic, regional and global economies, and market conditions in the countries that CLAS operates in, such as an oversupply or reduced demand and adverse changes in rental rates and operating expenses which could affect the profitability of CLAS;
- competition for occupants from other serviced residence, short-term rental, coliving, hospitality and student accommodation properties that may affect rental and occupancy levels in CLAS' properties;
- a general downturn of the economy or the lodging industry, which affects occupancy and rental rates or a slowdown in tourism, business and conferences in the markets in which the properties of CLAS are located;
- seasonality patterns in tourist arrival numbers throughout the year;
- cyclical downturns arising from changes in general and local economic conditions, including reductions in the amount of longer-term business travel and corporate executives requiring mid-term to long-term accommodation;
- the recurring need for renovation, refurbishment and improvement of the Properties;
- movement of the status of transportation hubs such as airports, railway stations, bus terminals;
- unexpected increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather conditions that could affect travel demand;
- increase in new supply of serviced residences, hotels, rental housing and/or student accommodations in the markets in which CLAS operates, which could adversely impact the occupancy levels and revenue of the properties or future lodging assets of CLAS;
- unfavourable publicity in relation to the properties of CLAS;
- changes in CLAS' relationships with, and the performance and reputation and standing of, the lessees, hotel managers, serviced residence operators, rental housing operators, service providers, brand owners and franchisors and other companies with whom CLAS may contract;

- changes in interest rates and in the availability, cost and terms of debt financing and other changes that may adversely affect CLAS' ability to source capital to fund operating requirements, capital expenditures, acquisitions and other general corporate purposes or to comply with debt financing covenants, and in the relationships with CLAS' lenders;
- the time that it may take to construct, develop or complete the refurbishment of properties and receive registrable title to such properties;
- any restrictions in the ability to renovate the properties and future assets of CLAS in order to preserve or expand demand for the properties and such assets;
- changes in laws and governmental regulations, fiscal policies and zoning ordinances, including those governing usage, zoning, taxes, government charges, labour laws and environmental issues, which may lead to an increase in management expenses or unforeseen capital expenditure or costs to ensure compliance;
- legislative actions, such as the enactment of revisions to the laws relating to building standards, town planning, condemnation and redevelopment, which may affect or restrict rights related to relevant properties;
- other factors, including acts of terrorism, war, riots, military coups, civil commotions and other instability, acts of God, natural disasters, earthquakes, volcanic eruptions, floods, extreme weather conditions, labour shortages, work stoppages or disputes, outbreaks of infectious diseases or serious public health concerns and the measures taken by the governments of affected countries to address such issues; and
- other matters beyond the control of CLAS and/or the Managers, not yet known to the Managers or not currently considered material by the Managers.

These factors could lead to deterioration in the amount of the rental payments from the Master Lessees and/or the ability of the Management Companies to generate income from the relevant Properties under the Management Contracts. This would have adverse effects on the business, financial condition, results of operations and prospects of CLAS.

Uncertainties and instability in global markets and other factors beyond CLAS' control could adversely affect CLAS' business, financial condition and results of operations as well as the value of the Securities

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries.

Economic factors, including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and the availability of debt and equity capital could adversely affect the business, financial condition and results of operations of CLAS. There has been a swift increase in the interest rate environment since 2022 in light of inflationary pressures and hawkish monetary policy. In particular, the United States Federal Reserve has raised the interest rates 11 times between March 2022 and July 2023. In June 2024, the United States Federal Reserve maintained its policy rate in the range of 5.25% to 5.5% without any rate hike for the seventh straight meeting and reiterated that it is prepared to maintain the current target range for as long as appropriate if the inflation persists. As concerns remain that persistent inflation and interest rate hikes will further depress the economy, the economic outlook for the United States and other countries remains uncertain.

Recent years have also been characterised by increased political and economic uncertainty in some of the core markets in which CLAS operates and numerous factors continue to contribute to the considerable uncertainty in the foreseeable future which could adversely affect CLAS' operations, including for example the slowdown of global economic activity, the continued uncertainty regarding the United Kingdom's relationship with the European Union following the United Kingdom's exit from the European Union, the insufficient deleveraging in the private and public sectors (including the potential and actual default of sovereign debt in certain emerging markets) and a halt in implementing structural and financial reforms.

Heightened tensions across the geopolitical landscape could also have implications for CLAS. The ongoing geopolitical and trade tensions between the United States and China, and extending to the United Kingdom, the European Union and other countries, may affect CLAS, creating regulatory, reputational and market risks. The United States, the United Kingdom, the European Union, Canada and other countries have imposed various sanctions and trade restrictions on Chinese individuals and companies. In response, China has announced sanctions, trade restrictions and laws that could potentially impact CLAS. In addition, the ongoing conflicts in Eastern Europe between Russia and Ukraine and in the Middle East between Hamas and Israel have also disrupted financial markets and have had adverse impact on supply chains and macro-economic conditions. Such disruptions can cause raw material, energy and input shortages or cost increases, and exacerbate prevailing levels of inflation.

Such events, which are beyond CLAS' control, have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. Global credit markets have experienced substantial dislocations, liquidity disruptions and market corrections of which the scope, duration, severity and economic effect remain uncertain. These events could adversely affect CLAS, including the following:

- a negative impact on the ability of the tenants of CLAS to pay their rents in a timely manner or continue their leases, thus affecting CLAS' cash flow;
- a decline in the market values of the Properties;
- an adverse effect on the cost of funding CLAS' business, thus limiting CLAS' growth opportunities; and
- access to debt capital markets becoming more difficult, expensive or impossible resulting in an adverse impact on the ability of CLAS to obtain funds for expansion or refinance its existing debt obligations on the same or more favourable terms than its existing debt obligations, if at all.

Increased funding costs or greater difficulty in diversifying funding sources would have an adverse effect on its business, financial conditions and results of operations.

The liquidity and the value of the Securities are sensitive to the volatility of the credit markets and may be adversely affected by future developments. To the extent that turmoil in the credit market continues and/or intensifies, it may have the potential to materially affect the liquidity and the value of the Securities.

CLAS operates in industries which may become intensely competitive, which may have a material adverse effect on its business

The serviced residence, hotel, rental housing and student accommodation industries are competitive and may become increasingly so. Each of the Properties is located in an area that includes serviced residences and/or other types of accommodation such as hotels, guest houses and student accommodations owned and/or operated by third parties. CLAS competes locally and

regionally with existing serviced residences, hotels, rental housing or student accommodation properties and such properties that may be developed in the future. An increase in the number of competitive serviced residences, hotels, coliving, rental housing or student accommodation properties in a particular area could have a material adverse effect on the occupancy rates and contribution to revenue generated by each of the Properties.

CLAS may be adversely affected by the illiquidity of real estate investments

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the ability of the Managers to manage CLAS' portfolio in response to changes in economic or other conditions. This could have an adverse effect on CLAS' business, financial condition and results of operations, with a consequential adverse effect on CLAS' ability to make expected returns. Moreover, CLAS may face difficulties in securing timely and commercially favourable financing through asset-based lending transactions secured by real estate due to its illiquidity.

CLAS may experience limited availability of funds

The securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor reaction to developments in one country may have an adverse effect on the market price of securities of companies located in other countries. The slowdown of the worldwide economy may adversely affect market prices in the world's securities markets. Financial markets in the U.S., Europe and Asia have also, in the past, experienced extreme disruption including, among others, volatility in security prices, severely diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others.

In particular, the lodging business is capital intensive and the growth of CLAS may be affected if it is unable to obtain financing on favourable terms or at all. The Properties will require periodic capital expenditures, refurbishment, renovation and improvements to remain competitive. In addition, CLAS may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to CLAS. Factors that could affect CLAS' ability to procure financing include the cyclical nature of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources.

CLAS faces risks associated with debt financing

CLAS is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet required payments of principal and interest under such financing and to make payments to Securityholders. The rights of the Securityholders to receive payments under the Securities are effectively subordinated to the rights of the existing and future secured creditors of CLAS.

CLAS may also become a party to future indebtedness which is secured by a lien or other encumbrance on certain of the properties of CLAS. In the event of a default on the Securities or under any other indebtedness or upon CLAS' bankruptcy, liquidation or reorganisation, any secured indebtedness of third party creditors to CLAS' portfolio would effectively be senior to the Securities to the extent of the value of CLAS' portfolio securing their indebtedness. The Securityholders would only have an unsecured claim against those assets to the extent any remain after satisfying the obligations under such secured indebtedness and any unsecured indebtedness which ranks senior to the Securities.

CLAS will also be subject to the risk that it may not be able to refinance its existing and/or future borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings. In addition, CLAS may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and CLAS' ability to make payments to Securityholders. Such covenants may also restrict CLAS' ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase.

CLAS is subject to interest rate fluctuations

As at 31 March 2024, CLAS' outstanding borrowings was approximately S\$2,962 million, of which approximately 82% of the total borrowings were effectively on fixed interest rates to hedge against rising interest rates, and the remaining approximately 18% of the total borrowings was on a floating rate basis. There is no certainty that CLAS will not be affected by adverse movements in interest rates. Consequently, the interest cost to CLAS for the floating interest rate debt will be subject to the risks of interest rate fluctuations.

As part of the Managers' active capital management strategies, CLAS has entered into hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, the Managers' hedging policy may not adequately cover CLAS' exposure to interest rate fluctuations. As a result, CLAS' operations and/or financial condition could potentially be adversely affected by interest rate fluctuations.

CLAS may be involved in legal and/or other proceedings arising from its operations from time to time

CLAS may be involved from time to time in disputes with various parties involved in the operation, renovation and lease of the Properties such as contractors, subcontractors, suppliers, construction companies, purchasers and tenants. These disputes may lead to legal or other proceedings, and may cause CLAS to incur additional costs and delays. In addition, CLAS may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that would result in financial losses and cause delay to the construction or completion of its projects.

CLAS' inability to complete acquisitions or to successfully integrate acquisitions may adversely impact its business, financial condition, prospects or results of operations

CLAS' business strategy includes the acquisition of properties and property-holding entities that expand or complement its existing business. Successful growth through acquisitions is dependent upon CLAS' ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms and purchase prices and ultimately complete such transactions and integrate the acquired target successfully. Such acquisitions may expose CLAS to significant risks and uncertainties, including but not limited to:

- competition for acquisition targets, which may lead to substantial increases in purchase prices or terms that are not attractive to CLAS;
- dependence on external sources of capital, in particular to finance the purchase prices of acquisitions;
- proposed acquisitions which may be prohibited by certain antitrust or other regulatory laws or may require divestitures;

- difficulties in identifying lodging and lodging-related assets to acquire and difficulties in completing and integrating acquisitions (including any unexpected delays or expenses in the integration process);
- disruptions to CLAS' business and diversion of the attention of the Managers from existing operations to the acquisition process and integration of acquired assets;
- a failure to accurately predict or to realise expected cost savings and synergies;
- changes in laws or regulations, and/or difficulties in obtaining the requisite licences, permits, authorisations or approvals from regulatory authorities, resulting in increases in acquisition or development costs or delays in project construction;
- incurrence of unintended or unanticipated capital expenditures in connection with acquisitions or the vendors of our acquired properties may breach their obligations to CLAS;
- difficulties in retaining key customers and personnel; and
- other matters not yet known to CLAS and/or the Managers, not currently considered material by CLAS and/or the Managers, or not otherwise disclosed in this Information Memorandum.

The Managers' assessments of and assumptions regarding acquisition targets may not prove to be correct, or actual developments may differ significantly from expectations. Acquired targets and properties may have unexpected or unidentified liabilities or regulatory problems, and acquisitions may be made at a premium over the fair value of the net identifiable assets of the acquired company. The occurrence of any of the above in connection with any acquisition could have a material adverse effect on CLAS' business, financial condition, results of operations or prospects.

The Managers and Sponsor are subsidiaries of CapitaLand. There may be potential conflicts of interest between CLAS, the Managers, the Sponsor and/or CapitaLand

The Sponsor, its subsidiaries, related corporations and associates are engaged in the investment in, and the development and operation of, among other things, real estate and real estate-related assets which are used, or predominantly used, as lodging and lodging-related assets properties in Singapore and elsewhere. As at 31 March 2024, CapitaLand has an aggregate interest (direct and deemed) of approximately 28.55% of the total number of Stapled Securities in issue.

The Sponsor and/or CapitaLand may exercise influence over the activities of CLAS through the Managers. As a result, the strategy and activities of CLAS may be influenced by the overall interests of the Sponsor and/or CapitaLand. Moreover, the Sponsor and/or CapitaLand may in the future sponsor, manage or invest in other REITs, trusts or other vehicles which may also compete directly with CLAS. There can be no assurance that conflicts of interest will not arise between CLAS on the one hand, and the Sponsor and/or CapitaLand on the other, or that CLAS' interests will not be subordinated to those of the Sponsor and/or CapitaLand, whether in relation to the future acquisition of additional properties, acquisitions of property-related investments or competition for guests, in Singapore and elsewhere.

CLAS will not have the right of first refusal to purchase certain properties if the Sponsor and/or any of its related corporations cease to be a shareholder of the Managers

CLAS has been granted a right of first refusal (the "ROFR") by the Sponsor over any proposed sale of, *inter alia*, any properties that are used, or predominantly used, as serviced residences or rental housing properties in Europe and the Pan-Asia region by the Sponsor or any of its wholly owned subsidiaries, for so long as the Managers remain the managers of CLAS and the Sponsor

and/or any of its related corporations remain a shareholder of the Managers. Any termination of the ROFR in the event the foregoing conditions are not met may adversely affect CLAS' pipeline of future acquisitions.

There is no assurance that CLAS will be able to leverage the Sponsor's experience in the operation of serviced residences, hotels and rental housing properties

In the event (a) that the Sponsor decides to transfer or dispose of its Stapled Securities and ceases to be a Controlling Stapled Securityholder of CLAS, or (b) of the expiry, and non-renewal, of the Ascott Management Agreements in respect of the Properties managed by the Ascott Management Companies, or (c) of the expiry, or non-renewal, of the Master Leases with Master Lessees under the Sponsor, CLAS may no longer be able to leverage the Sponsor's experience in the ownership and operation of serviced residences, hotels and rental housing properties, financial strength, market reach and network of contacts in the lodging sector to further its growth. CLAS may, in addition, not be able to benefit from the range of corporate services which are available to owners of properties managed by the Sponsor. This could have a material and adverse impact on CLAS' results of operations and financial condition.

CLAS operates substantially through Property Companies and its ability to make payments to Securityholders through the CapitaLand Ascott REIT Trustee and/or the CapitaLand Ascott BT Trustee-Manager, as the case may be, is dependent on the financial position of the Property Companies and Property Holding Companies

Save for the Properties located in Singapore, the Properties are held by the Property Companies, which are in turn held by CLAS through the Property Holding Companies. Accordingly, CLAS operates substantially through the Property Companies, and relies on payments and other distributions from these Property Companies (which are repatriated to CLAS through the Property Holding Companies) for its income and cash flows.

In order to make payments to Securityholders, the CapitaLand Ascott REIT Trustee and/or the CapitaLand Ascott BT Trustee-Manager, as the case may be, will rely on the receipt by CLAS of the distributions or other payments from these Property Companies to the Property Holding Companies or, as the case may be, from the Property Holding Companies to CLAS. The ability of the Property Companies or, as the case may be, Property Holding Companies to make such payments may be restricted by, among other things, the Property Companies' or, as the case may be, Property Holding Companies' respective businesses and financial positions, the availability of distributable profits, applicable laws and regulations (which may restrict the payment of dividends by the Property Companies or, as the case may be, Property Holding Companies) or the terms of agreements to which they are, or may become, a party to.

There can be no assurance that the Property Companies or, as the case may be, Property Holding Companies will have sufficient distributable or realised profits or surplus in any future period to pay dividends or make advances to CLAS. The level of profit or surplus of each Property Company or, as the case may be, each Property Holding Company available for distribution by way of dividends to CLAS may be affected by a number of factors, including:

- operating losses incurred by the Property Companies or, as the case may be, Property Holding Companies in any financial year;
- losses arising from a revaluation of any of the Properties following any diminution in value of any of the relevant Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the relevant Property Company or, as the case may be, Property Holding Company may make distributions to CLAS;

- accounting standards that require profits generated from investment properties to be net of depreciation;
- charges before such profits are distributed to CLAS;
- changes in accounting standards, taxation regulations, corporation laws and regulations relating hereto; and
- insufficient cash flows received by the Property Companies from the Properties.

The occurrence of these or other factors that affect the ability of the Property Companies or, as the case may be, Property Holding Companies to pay dividends or other distributions to CLAS may adversely affect the ability of the CapitaLand Ascott REIT Trustee and/or the CapitaLand Ascott BT Trustee-Manager, as the case may be, to make payments to the Securityholders.

There is no assurance that the other joint venture partners of the Property Companies, which are not wholly owned, directly or indirectly, or the holding company of the Property Companies will co-operate on matters concerning these companies or honour all their obligations under these joint ventures

Several of the Property Companies are not wholly owned, directly or indirectly, by the CapitaLand Ascott REIT Trustee or, as the case may be, the CapitaLand Ascott BT Trustee-Manager. Accordingly, CLAS does not have an unfettered discretion to deal with these Properties through the Property Companies as if these Properties are entirely, directly or indirectly, owned by it.

Under the relevant shareholders' agreements or joint venture agreements (as the case may be) relating to the above-mentioned Properties, certain matters such as making amendments to the joint venture agreements, changing the business or equity capital structure of the Property Companies, issuing of securities by the Property Companies, use of funds, capital borrowings and other credit activities and appointment of key personnel, may require a unanimous or a majority shareholders' approval of the relevant Property Companies being obtained.

As CLAS does not own the entire interests in these Property Companies, there is no assurance that such unanimous/majority approval from the shareholders of the Property Companies can be obtained. The other shareholders of these Property Companies may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, certain matters relating to the Properties, such as those relating to the operation of the Properties and the level of dividends to be declared by the Property Companies, may not be carried out and this may adversely affect CLAS' financial condition and results of operations.

In addition, if the other joint venture partners of the Property Companies or the holding company of the Property Companies are obliged to contribute additional capital or funds to the Property Companies, but lack financial resources at the relevant time to meet these obligations, necessary capital or funds required for development or operations may be delayed or cancelled. This adds to the uncertainty of such collaborations and may adversely affect CLAS' business, financial condition and results of operations.

The Managers may not be able to implement their investment strategy for CLAS or may change CLAS' investment strategy

There can be no assurance that the Managers will be able to continue to implement their investment strategy (including through acquisitions or investments from time to time) successfully or that it will be able to expand CLAS' portfolio any further, or at any specified rate or to any specified size. While the Managers plan acquisitions or investments based on the outlook and

their understanding of the relevant property market and general economic situation, the Managers may not be able to make such acquisitions or investments on favourable terms or within a desired time frame or at all.

CLAS may need to rely on external sources of funding to expand its portfolio, which may not be available on terms favourable to CLAS or at all. Even if CLAS were able to successfully make additional property investments, there can be no assurance that CLAS will achieve its intended return on such investments. Since the amount of debt that CapitaLand Ascott REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions will largely be dependent on CapitaLand Ascott REIT's ability to raise equity capital. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including serviced residence development companies, private investment funds and other real estate investment funds whose investment policy is also to invest in commercial properties. There can be no assurance that CLAS will be able to compete effectively against such entities and execute its desired principal investment strategy successfully.

CLAS' policies with respect to certain activities including investments and acquisitions will be determined by the Managers. While the Managers have stated their principal investment strategy with respect to CLAS, the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed give the Managers wide powers of investing in other types of assets. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

If the Managers are unable to implement their investment strategy successfully, CLAS' business, financial condition, prospects and results of operations may be adversely affected.

The Managers may not be able to implement AEIs or successfully carry out development activities

The Managers continuously strive to enhance CLAS' assets through planned periodic upgrading, refurbishment and reconfiguration of the Properties in order to achieve a higher level of guest satisfaction as well as to improve the Properties' performance and competitiveness.

Any plans for AEIs are subject to known and unknown risks, uncertainties and other factors which may lead to any of such AEIs and/or their outcomes being materially different from the original projections or plans. In addition, the Managers may from time to time and (in relation to the CapitaLand Ascott REIT Manager, with respect to CapitaLand Ascott REIT) within the development limits as set out in the Property Funds Appendix, embark on development activities.

There can be no assurance that the Managers will be able to implement any of such AEIs successfully or carry out development activities successfully, or that the carrying out of any AEIs or development activities will enhance the value of the relevant property. The AEIs or development activities are or may be subject to CLAS obtaining the approvals of the relevant authorities. Furthermore, the Managers may not be able to carry out the proposed AEIs or development activities within a desired timeframe, and any benefit or return which is expected from such AEIs or development activities may be reduced or lost. Even if the relevant AEI or development is successfully carried out, there can be no assurance that CLAS will achieve its intended return or benefit from such AEIs or development activities.

There is no assurance that the current rating given in respect of CapitaLand Ascott REIT will be maintained or that the rating will not be reviewed, downgraded, suspended or withdrawn in the future

In May 2024, Fitch Ratings maintained CapitaLand Ascott REIT's Long-Term Issuer Default Rating as "BBB". The outlook for the rating is stable. The ratings assigned by Fitch Ratings is based on the views of Fitch Ratings only. Future events could have a negative impact on the rating in respect of CLAS and prospective investors should be aware that there is no assurance that the rating assigned will be maintained or that the rating would not be reviewed, downgraded, suspended or withdrawn as a result of future events or judgement on the part of Fitch Ratings.

Any rating changes that could occur may have a negative impact on the market value of the Securities. A downgrade of the rating may lead to CLAS being unable to obtain future credit on terms which are as favourable as those of its existing borrowings, resulting in loans at higher interest rates.

The amount that CapitaLand Ascott REIT may borrow is subject to the aggregate leverage limit set out in the Property Funds Appendix, which may affect the operations of CapitaLand Ascott REIT

Under the Property Funds Appendix, with effect from 1 January 2022, the aggregate leverage of CapitaLand Ascott REIT should not exceed 45% of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Stapled Securities), and CapitaLand Ascott REIT's aggregate leverage may exceed this limit (up to a maximum of 50%) only if it has a minimum adjusted interest coverage ratio⁵⁹ of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 31 March 2024, CLAS' outstanding borrowings was S\$2,962 million with an effective interest rate of 3.0% per annum, including both bank loans and the outstanding notes issued under its medium term note programmes. As at 31 March 2024, CLAS' gearing was 37.7%.

A decline in the value of CapitaLand Ascott REIT's Deposited Property may also cause the aggregate leverage limit to be exceeded, thus affecting CapitaLand Ascott REIT's ability to make further borrowings.

CapitaLand Ascott REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that CapitaLand Ascott REIT decides to incur additional borrowings in the future, CapitaLand Ascott REIT may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements of CapitaLand Ascott REIT's existing asset portfolio or for future acquisitions to expand its portfolio;
- a decline in the value of the Deposited Property may also cause the borrowing limit to be exceeded, thus affecting CapitaLand Ascott REIT's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which CapitaLand Ascott REIT might otherwise be able to resolve by borrowing funds.

⁵⁹ "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

If the CMS Licence of the CapitaLand Ascott REIT Manager is cancelled or not renewed by the MAS, the operations of CapitaLand Ascott REIT will be adversely affected.

The Capital Markets Services Licence issued to the CapitaLand Ascott REIT Manager by the MAS (the “**CMS Licence**”) is subject to conditions and is valid unless otherwise cancelled or renewed. If the CMS Licence of the CapitaLand Ascott REIT Manager is cancelled by the MAS, it will not be able to continue to be the manager of CapitaLand Ascott REIT and the operations of CapitaLand Ascott REIT will be adversely affected if no suitable replacement manager is found or can be found in a timely manner.

CLAS depends on certain key personnel, and the loss of any key personnel may adversely affect its operations

CLAS’ operations depend, in part, upon the continued service and performance of members of the Managers’ senior management team and certain key senior personnel. These key personnel may in future leave the Managers and compete with the Managers and CLAS. The loss of any of these individuals, or of one or more of the Managers’ other key employees could have a material adverse effect on CLAS’ business, financial condition and results of operations.

Fluctuations in exchange rates may adversely affect CLAS’ reported financial results

As at 31 March 2024, CLAS’ portfolio of Properties is located across 16 countries across Asia Pacific (namely Australia, China, Indonesia, Japan, Malaysia, the Philippines, South Korea, Singapore and Vietnam), Europe (namely Belgium, France, Germany, Ireland, Spain and the United Kingdom) and the United States.

Because of the geographic diversity of CLAS’ property portfolio, CLAS receives income in the local currencies where its properties are located at the then-applicable exchange rates. As a result, CLAS is exposed to fluctuations in foreign currency exchange rates against the Singapore dollar. Such fluctuations can cause fluctuations in CLAS’ results of operations and could have a material adverse effect on CLAS’ reported financial results. A weakening of foreign currencies against the Singapore dollar may also result in an increase in CLAS’ gearing due to the reduced asset value as a result of the weaker currency and a decline in CLAS’ net asset value (“NAV”).

CLAS may engage in hedging transactions. Such hedging transactions may not be effective and can limit gains and increase exposure to losses. These hedging transactions could fail to protect, or could even adversely affect, CLAS

CLAS has entered into some hedging transactions to partially mitigate the risk of interest rate fluctuations and manage the currency risks associated with the cash flows generated by the Properties outside Singapore, although there can be no assurance as to the extent or efficacy of any such hedging arrangements. Hedging activities may not have the desired beneficial impact on CLAS’ business, financial condition, results of operations and prospects. Hedging involves risks and typically involves costs, including transaction costs, which may reduce overall returns. The Managers will regularly monitor the feasibility of engaging in such hedging transactions while taking into account the cost of such transactions. These costs will increase as the period covered by the hedging increases and during periods of rising and volatile interest rates and/or foreign exchange rates.

Interest rate hedging could fail to protect CLAS or adversely affect CLAS for reasons which include, but are not limited to:

- available interest rate hedging may not correspond directly with the interest rate risk for which protections are sought;
- the party owing money in the hedging transaction may default on its own obligation to pay;
- the credit quality of the counterparty owing money on the hedge may deteriorate to such an extent that it impairs CLAS' ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value.

Such changes, although unrealised, would reduce the NAV of CLAS if it is due to downward adjustments.

CLAS may be unable to comply with the terms and conditions of tax rulings and tax exemptions obtained, or such tax rulings or tax exemptions may be revoked or amended

CapitaLand Ascott REIT has obtained various tax rulings and tax exemptions from the IRAS and the Ministry of Finance, including the tax transparency ruling and exemptions on foreign-sourced income received in Singapore in respect of its overseas Properties (the “**Tax Rulings**”). These Tax Rulings are subject to stipulated terms and conditions based on the facts and representations presented to the IRAS and the Ministry of Finance at the time of such applications, and include the requirement that CapitaLand Ascott REIT distribute at least 90.0% of its taxable income in the case of the tax transparency ruling. There can be no assurance that CLAS will be able to comply with these terms and conditions on an on-going basis or ensure that the facts and representations presented to the tax authorities do not change over time. There can also be no assurance that the IRAS or the Ministry of Finance will not review, amend or revoke the Tax Rulings, either in whole or in part, either arising from a change in the tax laws or their interpretations or a change in policy. Non-compliance with the terms and conditions imposed on CLAS under the Tax Rulings may affect CapitaLand Ascott REIT's tax transparent status, the ability of CLAS to distribute its taxable income free of tax deduction at source and may also cause CLAS to pay income tax on its taxable income which may result in CLAS facing liquidity constraints.

The operation of certain Properties relies on trademarks which CLAS does not own

The operation of certain Properties relies on trademarks which CLAS does not own. CLAS has been granted rights to use these third-party trademarks under certain agreements with the owner and/or licensor of such trademark in connection with the operation of the Properties. Loss of the right to use the trademarks may have a material adverse effect on CLAS' reputation, goodwill, business, prospects and results of operations.

CLAS may be required to indemnify the relevant Management Companies

In respect of the Properties which are on Management Contracts, the Management Contracts entered into with the Management Companies provide for CLAS to be liable for such debts, obligations and/or liabilities in the due performance of the duties of the Management Companies under the respective Management Contract, unless such debts, obligations and/or liabilities arose from the gross negligence or wilful default of the respective Management Company.

A Management Company may be entitled to an indemnity from CLAS pursuant to the terms of the relevant Management Contract, for costs properly incurred for acting in accordance with directions given by CLAS except to the extent that the relevant cost is directly attributable to fraud, negligence or wilful misconduct of the relevant Management Company. If any of such claims under the abovementioned indemnities arise, then the financial condition of CLAS could be adversely affected.

CLAS' prospects may be adversely affected by natural disasters or other catastrophes, outbreaks of infectious diseases, severe weather conditions or other acts of God

Natural disasters or other catastrophes, severe weather conditions or other acts of God that occur in certain countries or regions that are beyond CLAS' control may adversely affect the economy, infrastructure and livelihood of the people in those countries or regions. Countries or regions where CLAS operates face threats of floods, earthquakes, sandstorms, snowstorms, fires and droughts, and outbreaks of infectious diseases such as SARS, H5N1 avian flu, Influenza A H1N1 swine flu, MERS, Ebola, Zika, monkeypox and the coronavirus (the "COVID-19").

In particular, the outbreak of the COVID-19 in 2020 triggered a global economic downturn and global economic contraction, causing disruptions in demand and supply chains as well as the travel industry in unprecedented ways. While the global economy has started trending towards recovering from the COVID-19 pandemic, any future pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as a resurgence of COVID-19, together with any measures aimed at mitigating its spread such as travel restrictions, imposition of quarantines or other social distancing measures are likely to have a material adverse effect on the global economy and financial markets.

Whilst CLAS has implemented business continuity plans to allow business operations to continue and taken steps to mitigate the impact of the COVID-19 pandemic in its businesses, there is no assurance that the COVID-19 pandemic will not re-emerge or that other variants which may be more transmissible or may cause more severe effects will not emerge in the future, which could in turn cause a deterioration of CLAS' business, financial condition, prospects and results of operations. There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

Apart from outbreaks of infectious diseases, flooding and any other severe weather and natural disasters may cause substantial structural and physical damage to the Properties. These natural disasters can result in substantial expenses related to, among others, repairing the damage caused, and such damage may not be fully covered by insurance, if at all.

The occurrence of extreme weather or natural disasters, or an outbreak of infectious disease or serious public health concerns, or the measures taken by the governments of affected countries or regions, including Singapore, against such an outbreak, such as restrictions on travel and/or the imposition of quarantines, could severely disrupt CLAS' business operations and undermine investor confidence, thereby materially and adversely affecting its business, financial condition or results of operations.

CLAS may not be able to control or exercise any influence over entities in which it has minority interests

CLAS may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that CLAS will be able to control such entities or exercise any influence over the assets of such entities or their distributions to CLAS. Such entities may develop objectives which are different from those of CLAS. The management of such entities may make decisions which could adversely affect the operations of CLAS and consequently the relevant Issuer's ability to fulfil its payment obligations under the Securities.

The accounting standards in the jurisdictions which CLAS operates in may change

CLAS may be affected by the introduction of new or revised and/or accounting standards in the jurisdictions in which CLAS operates. The financial statements of CLAS may be affected by the introduction of such new or accounting standards. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities.

There is no assurance that these changes will not:

- have a significant impact on the presentation of CLAS' financial statements;
- have a significant impact on CLAS' results of operations;
- have an adverse effect on the ability of CLAS to make distributions to Stapled Securityholders;
- have an adverse effect on the ability of the Managers to carry out their investment strategy; or
- have an adverse effect on the operations and financial condition of CLAS.

CLAS will be exposed to certain risks in relation to information technology and systems

CLAS is reliant on certain technologies and systems, whether belonging to the members of CLAS, the Master Lessees or the Management Companies, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of customers and lease data. Any system failures, data viruses, computer "hackers" or other causes may result in operational problems with such information systems. Bookings and reservations for hotel rooms and serviced residence bookings are done through the platforms of the service providers, including that of the Management Companies. CLAS may not have control over potential failures, outages or downtime over such information systems which could affect, among others, the delivery of reservations to its hotels. Any material disruption or slowdown of the information systems, especially any failures relating to its reservation system, could cause valuable information to be lost or operations to be delayed, which in turn could have a material adverse effect on CLAS' business, financial condition and results of operations and have a material adverse impact on CLAS' reputation.

Published unaudited interim and year-end financial statements in respect of CLAS and its subsidiaries which are, from time to time, included or incorporated by reference in this Information Memorandum will not have been audited or subject to review

Any published unaudited interim and year-end financial statements in respect of CLAS which are, from time to time, included in or deemed to be incorporated by reference in this Information Memorandum will not have been audited or subject to review by the auditors in respect of CLAS, as the case may be. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

RISKS ASSOCIATED WITH THE PROPERTIES

The proportionate distributions received by CLAS from Somerset Chancellor Court, Somerset Ho Chi Minh City and Somerset Grand Hanoi will be diluted in the future

Somerset Chancellor Court is owned by Saigon Office and Serviced Apartment Company Limited (“**SOSACL**”), a 67.0% subsidiary of East Australia Trading Company (S) Pte Ltd. (“**EATC(S)**”). Somerset Ho Chi Minh City is owned by Mekong-Hacota Joint Venture Company Limited (“**Mekong-Hacota**”), a 58.68% subsidiary of Ascott Residences Pte Ltd (“**Ascott Residences**”). Somerset Grand Hanoi is owned by Hanoi Tower Center Company Limited (“**Hanoi Tower Center**”), a 76.0% subsidiary of Burton Engineering Pte Ltd (“**Burton Engineering**”).

EATC(S), Ascott Residences and Burton Engineering (collectively, the “**Vietnam Property Holding Companies**”) are wholly owned by CapitaLand Ascott REIT. The remaining shareholding interests in SOSACL, Mekong-Hacota and Hanoi Tower Center (the “**Vietnam Property Companies**”) are owned by unrelated third parties. CapitaLand Ascott REIT’s interests in the Vietnam Property Companies are held under the terms of the respective joint venture arrangements with the unrelated third-party shareholders in each of the Vietnam Property Companies (the “**Vietnam Properties JVA**”) with each of these unrelated third parties.

Under the terms of the Vietnam Properties JVAs, the net profits of each of the Vietnam Property Companies, after the fulfilment of certain statutory financial obligations and the payment of other amounts due, are to be distributed to the shareholders of Vietnam Property Companies in certain proportions during different periods in accordance with the terms of the relevant Vietnam Properties JVA and/or the applicable investment licence under which the Vietnam Property Companies operate.

In relation to EATC(S), CapitaLand Ascott REIT is entitled to 67.0% of the distributed profits during the period for which loan capital injected by CapitaLand Ascott REIT and interest is outstanding thereon. CapitaLand Ascott REIT’s entitlement to the distributed profits will fall to 60.0% following the repayment of loan capital and interest and further decrease to 40.0% from the 31st to 48th year from the date of issue of the investment licence. In 2023, the distributed profits that CapitaLand Ascott REIT is entitled to receive decreased from 67.0% in 2022 to 60.0% and thereafter in 2024, the distributed profits that CapitaLand Ascott REIT is entitled to receive has decreased from 60.0% to 40.0%. In relation to Ascott Residences, CapitaLand Ascott REIT owns 58.68% of the legal capital in Mekong-Hacota. From the 19th year of the date of issue of the investment licence, the unrelated joint venture partner in Mekong-Hacota has a right to acquire approximately 0.9% of the legal capital in Mekong-Hacota every year until it owns 43.0% of the legal capital in Mekong-Hacota (in the 32nd year), whereupon the legal capital of Mekong-Hacota owned by Ascott Residences will have fallen to 57.0%. Consequently, the distributed profits that CapitaLand Ascott REIT is entitled to receive will decrease from the 19th year to the 32nd year. In relation to Burton Engineering, CapitaLand Ascott REIT owns 76.0% of the legal capital in Hanoi Tower Center and is entitled to 76.0% of the distributed profits in the first 25 years after fulfilling all financial obligations to the Government of Vietnam and other obligations. From the 26th to 35th year, CapitaLand Ascott REIT is entitled to 70.0% of the distributed profits. From 2018, the distributed profits that CapitaLand Ascott REIT is entitled to receive has decreased from 76.0% to 70.0%. From the 36th to the 45th year, CapitaLand Ascott REIT is entitled to 50.0% of the distributed profits.

The decreasing proportion of distributed profits that each of the Vietnam Property Holding Companies is entitled to for the duration of the relevant Vietnam Properties JVAs will adversely affect CLAS’ business, financial condition and results of operations.

Where CLAS only owns a portion of the strata lots of a subdivided development with common property, there is no assurance that the other subsidiary proprietors of such subdivided development will co-operate with CLAS on matters concerning the common property of this subdivided development

CLAS owns, and may acquire, a portion (and not all) of the strata lots of a subdivided development with common property. All the subsidiary proprietors of such subdivided development, who constitute the management corporation of the subdivided development, jointly own the common property in the subdivided development as tenants-in-common in proportion to the share values attributable to their respective strata lots. If CLAS does not own all of the total share value of strata lots comprising the subdivided development, it cannot deal with the common property in the subdivided development as if the subdivided development is entirely owned by it. The other subsidiary proprietors of such subdivided development may vote against resolutions concerning the common property of such Properties and hence prevent such resolutions from being passed. If such resolutions are not passed, enhancement works involving the common property of the subdivided development cannot be carried out by the management corporation of the subdivided development. This may affect the ability of the subdivided development to attract guests which may adversely affect the results of operation and financial condition of CLAS.

The President of the Republic of Singapore may, as head lessor, re-enter the Singapore Properties upon breach of terms and conditions of the State lease

Each of Ascott Orchard Singapore and The Robertson House by The Crest Collection is subject to a registered State lease, with the President of the Republic of Singapore as head lessor. Somerset Liang Court Property Singapore was leased under a registered State lease to the Urban Redevelopment Authority, which was subsequently sub-leased to CapitaLand Ascott REIT⁶⁰. The State lease(s) contains terms and conditions commonly found in State leases in Singapore, including the lessor's right to re-enter the Singapore Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the lease.

The future market value of the Properties may differ from the valuations determined by independent valuers

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. A valuer's determination of the appraised value of any property does not guarantee a sale of such property at its appraised value at present or in the future. The price at which CLAS may sell any of the new properties acquired in the future may be lower than the price paid for that property.

In addition, there can be no assurance that there will be no downward revaluation of the Properties in the future. In addition, CLAS is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on CLAS' financial results as revaluation losses will be charged to CLAS' statements of total return in the financial years where there is a significant decrease in the valuation of any of the Properties. A downward revaluation of any of these properties may also result in an increase in CLAS' gearing.

⁶⁰ In November 2019, CLAS announced the sale of the partial GFA of Somerset Liang Court Property Singapore and the redevelopment of the retained GFA into a new Somerset serviced residence property. The site works commenced in mid-July 2021 and the substructure works are ongoing and targeted to complete in 2024. The development is expected to complete in 2026.

The latest independent valuations of the Properties are as at 31 December 2023. In valuing the Properties, the valuers utilise, among others, the discounted cash flow and direct capitalisation methods, which take into account the projected cash flows of the property. The valuations of the Properties may change significantly and unexpectedly over a relatively short period of time.

The due diligence exercise on the Properties as well as their respective tenancies, contracts, building and equipment may not have identified all defects, breaches of laws and regulations, inherent or historical tax liabilities and other deficiencies

The Managers believe that reasonable due diligence investigations with respect to the Properties and any future properties to be acquired by CLAS and their holding entities were or will be conducted prior to their acquisition. However, there is no assurance that the Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in the Properties which may require or result in additional capital expenditure, special repair, maintenance expenses, the payment of damages or other obligations to third parties) or that the due diligence investigations and physical inspections will uncover all non-compliance with the laws and regulations in relation to the Properties or their holding entities.

The experts' reports that the Managers rely on as part of their due diligence investigations of the Properties may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult to impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

Statutory or contractual representations, warranties and indemnities given by any seller of properties are subject to limitations as to their scope and as to the amount and timing of claims which can be made. There is no assurance that CLAS would be entitled to be reimbursed under such representations, warranties and indemnities for any losses or liabilities suffered or incurred by it as a result of such property or equipment defects. Costs or liabilities arising from such defects or deficiencies may require or result in significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on CLAS' earnings and cash flows.

Should any of the properties of CLAS or their holding entities not be in compliance with certain laws and regulations, CLAS may also incur financial or other obligations in relation to such breaches or non-compliance.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow

Design, construction or other latent property or equipment defects in the Properties may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on CLAS' earnings and cash flows. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the properties age. The business and operation of the Properties may be disrupted as a result of asset enhancement works and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such asset enhancement works. In addition, statutory or contractual representations, warranties and indemnities given by any seller of real estate properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

CLAS may suffer material losses in excess of insurance proceeds

CLAS maintains insurance policies for the Properties in line with general market practices and legal requirements. However, the Properties could suffer physical damage caused by fire or other causes or CLAS may suffer public liability claims, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war risk, terrorist acts and losses caused by outbreaks of contagious diseases) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, CLAS' insurance policies for the Properties cover acts of terrorism but do not cover acts of war or outbreaks of contagious diseases. The Japanese properties within CLAS' portfolio are not insured against earthquakes.

Should an uninsured loss or a loss in excess of insured limits occur, CLAS could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that Property. CLAS would also remain liable for any debt or other financial obligation related to that Property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future. Such an event would adversely affect CLAS' business, financial condition and results of operations.

The loss of a Master Lessee (whether due to expiry and non-renewal, or termination due to a force majeure event or otherwise), a downturn in the business of a Master Lessee or any breach by the Master Lessees of their obligations under the Master Leases may have an adverse effect on CLAS

As at 31 March 2024, 27 of CLAS' operating Properties – 12 in France, five in Germany, three in Japan, five in Australia and two in South Korea, are under Master Lease arrangements with the Master Lessees. CLAS is dependent upon the ability of the Master Lessees to make timely rental payments.

As such, the business, financial condition, results of operations and prospects of CLAS, and the level of CLAS' distributable income, may be adversely affected by a failure by the Master Lessees to make timely rental payments or a default by any of them under the Master Leases. Factors that may affect the ability of the Master Lessees to meet their obligations under the Master Leases include, but are not limited to, their bankruptcy, insolvency or downturn in their business, which may weaken their financial position, the local economies in which they have business operations and the performance of their other businesses (if any).

Failure by the Master Lessees to maintain the relevant Properties in a good state of tenantable repair and condition could have an adverse impact on the physical condition of the relevant Properties, rendering them unattractive to existing and potential guests. Such failure could also result in customers choosing alternative lodging properties. Lack of capital or insufficient cash flow caused by lower occupancy may adversely impact future operations and profitability of the Properties under Master Leases, thereby affecting the ability of the Master Lessees to fund repairs, maintenance of furniture, fixtures and equipment and/or to make rental payments to CLAS. There is therefore no assurance that the Properties under Master Leases will continue to be operated, managed, maintained, branded or marketed well in the future and consequently the financial performance of CLAS, which is dependent on the performance of the Master Lessees, could be adversely affected.

If a Master Lessee fails to meet its obligations under its lease agreements, the business, financial condition, results of operations and prospects of CLAS may be adversely affected.

There is also no assurance that the Master Lessee(s) will renew their respective Master Lease(s) upon the expiry of the term of such Master Lease(s). In addition, the Master Leases may provide for termination by the relevant Master Lessee upon the occurrence of certain events, which may include, among others, certain force majeure events. If a Master Lessee defaults on its Master Lease, or a Master Lease is terminated (whether due to force majeure or otherwise) or expires (and is not renewed), a replacement lessee may not be found on satisfactory terms or a timely basis. In addition, the amount of rental and the terms on which each lease agreement is renewed or the new lease agreement is agreed upon may be less favourable than the existing lease agreement. While, as a last resort, CLAS may step in and directly enter into a management contract to appoint an operator to manage the Property, there can be no assurance that a similar amount of income will be generated from the Property. In such event, CLAS' revenue and financial performance may be adversely affected.

The failure of the Management Companies of the Properties under Management Contracts to generate income could have an adverse effect on the business, financial condition, results of operations and prospects of CLAS

Unlike the Properties under Master Leases through which CLAS derives regular rental income, the Properties under Management Contracts are managed by the Management Companies and generate revenue for CLAS.

The ability of the Management Companies to generate income depends on their expertise and may also be affected by factors beyond their control, such as changes in general economic conditions, laws and governmental regulations, the level of demand for the Properties under Management Contracts, competition in the lodging industry or latent defects in the Properties which affect the ability of the Management Companies to properly manage and operate the Properties. If the Management Companies are unable to manage the hotels profitably for CLAS and fail to generate income, this may adversely affect the business, financial condition, results of operations and prospects of CLAS.

In respect of the Ascott Management Agreements that provide for minimum guaranteed income, any failure by the Ascott Management Companies to pay the relevant Property Holding Companies such minimum guaranteed income in accordance with the terms of certain of the Ascott Management Agreements, or failure by the Sponsor to pay and satisfy the CapitaLand Ascott REIT Trustee and/or the relevant Property Holding Companies of outstanding sums owing by the Ascott Management Companies to the relevant Property Holding Companies, or termination of an Ascott Management Agreement that provides for a minimum guaranteed income (whether due to force majeure or otherwise), may have an adverse effect on the financial condition of CLAS and its level of distributable income.

As the Management Contracts are non-exclusive arrangements, there is no assurance that the Management Companies may not engage in other business ventures, including the acquisition, development or operation of lodging, residential and vacation ownership properties, which are or may become competitors of the Properties. In the event that the Properties face competition from their own Management Companies, this may have an adverse effect on the business and prospects of CLAS.

Renovation work, repair and maintenance or physical damage to the Properties may disrupt the operations of CLAS and (in the case of the Properties under Master Leases) collection of rental income or (in the case of the Properties under Management Contracts) the ability of the Management Companies to generate revenue or otherwise result in adverse impact on the financial condition of CLAS

The quality and design of the Properties influence the room rates and the demand for rooms. The Properties may need to undergo renovation works from time to time to retain their attractiveness to guests and may also require *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Properties age. The business and operations of the Properties may be disrupted as a result of renovation works and it may not be possible to collect the full rental rate or, as the case may be, any rental income on the space affected by such renovation works. In relation to the Properties under Master Leases, this may affect the ability of the Master Lessees to make timely rental payments under their respective Master Lease Agreements. In relation to the Properties under Management Contracts, this may affect the ability of the relevant Management Companies to generate income under their respective Management Contracts.

In addition, physical damage to the Properties resulting from fire or other causes (such as ground movements from surrounding construction works, notwithstanding any safety measures being put in place) may lead to a significant disruption to the business and operations of the Properties. Furthermore, the Master Lessees and/or Management Companies in respect of certain of the Properties have the right to terminate their tenancies prematurely in the event that such physical damage (not caused by the negligence or default of the Master Lessees and/or Management Companies) persists for an extended period of time. The foregoing may impose unbudgeted costs on CLAS and may result in an adverse impact on the business, financial condition, results of operations and prospects of CLAS.

The operations of the Properties may require hotel or other business related licences and any failure to obtain, renew or obtain the transfer of such licences may adversely affect the operations of CLAS

The operation of serviced residences, hotels, rental housing and student accommodation properties is generally subject to various local laws and regulations. There may be laws and regulations which require the Master Lessees, Management Companies and/or Property Companies in CLAS in relation to these Properties to be licensed and to obtain other approvals to own, operate and lease such Properties as a serviced residence, hotel, rental housing or, as the case may be, student accommodation. The withdrawal, suspension or non-renewal of any approvals and/or licences, or the imposition of any penalties, as a result of any infringement or non-compliance with any laws, rules or regulations applicable to such Properties, will have an adverse impact on the business at the relevant Property and their results of operations. Further, any changes in such laws, rules and regulations may also impact the business at the Properties and may result in higher costs of compliance. Any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities. This could have an adverse impact on the revenue and profits of the Properties or otherwise adversely affect their operations.

Existing or planned amenities and transportation infrastructure near the Properties may be closed, relocated, terminated, delayed or not completed

There is no assurance that the amenities and transportation infrastructure and public transport services near the Properties will not be closed, relocated, terminated, delayed or uncompleted, or that there will be no impediment to the traffic flow in the vicinity. Such closure, relocation, termination, delay, non-completion or impediment may adversely affect the accessibility of the

Properties. This may then have an adverse effect on the attractiveness and marketability of the Properties to guests and may adversely affect the business, financial condition, results of operations and prospects of CLAS.

Property operation costs and expenses may not decrease even if occupancy rate declines

The properties of CLAS will typically be continuously operational and most costs incurred will not vary significantly with high or low occupancy rates over a week, month or season. Operating a hotel, serviced residence, rental housing or student accommodation property involves a significant amount of fixed costs and significant fixed costs may limit the ability of the operators of the properties to respond to adverse market conditions by minimising costs. Such limitations may have an impact on profitability when the lodging industry is weak. This may adversely affect the ability of the Master Lessees to make rental payments to CLAS, as well as the ability of the Management Companies of the Properties under Management Contracts to generate income for CLAS.

RISKS RELATING TO STAPLED TRUSTS

The Stapled Securities may be subsequently unstapled and the structure of CLAS may be undermined

The Stapled Securities may in the future be unstapled for various reasons as set out in the Stapling Deed. In particular, the Stapled Securityholders may, for various reasons, decide that the Stapled Securities should be unstapled, subject to the Stapling Deed, the CapitaLand Ascott REIT Trust Deed, the CapitaLand Ascott BT Trust Deed and any relevant legislation. In the event that the unstapling of the Stapled Securities should occur, the structure of CLAS may be undermined and there may be ramifications and adverse effects to the Stapled Securityholders and the Securityholders.

CapitaLand Ascott REIT and CapitaLand Ascott BT may not have the same board of directors in the future, and this may lead to differences or deadlock in the future operations of CLAS

As at 31 March 2024, the Boards of both Managers are identical so as to avoid any differences or deadlock in the operations of CLAS. However, there is no assurance that the composition of the two boards will remain the same in the future.

In the event that the CapitaLand Ascott REIT Manager or the CapitaLand Ascott BT Trustee-Manager is removed and/or replaced, the other will be required to co-operate with the new manager (which may have a different board of directors and management team) in the management of CapitaLand Ascott REIT or, as the case may be, CapitaLand Ascott BT.

As a result, CLAS may lose the advantage of being managed efficiently by the same, or substantially the same board of directors. Further, there can be no assurance that having different Boards for the CapitaLand Ascott REIT Manager and the CapitaLand Ascott BT Trustee-Manager will not lead to differences or deadlock in the operation of CLAS, which may have adverse effects on the business, financial condition, results of operations and prospects of CLAS.

CLAS is exposed to risks associated with changes in applicable tax laws and regulations, changes in the application of treaty benefits under relevant double taxation agreements and tax treaties and cessation of preferential tax benefits for its Properties

The income and gains derived by CLAS, directly or indirectly, from its Properties, may be exposed to various types of taxes in Singapore, Australia, China, Indonesia, Japan, Malaysia, the Philippines, South Korea, the United States, Vietnam, and the various countries in Europe. These

include, but are not limited to, income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. Any change in the tax laws, administrative guidance, practice, regulations, or any disagreement as to the interpretation thereof, may lead to an increase in tax rates or the introduction of new taxes, could result in additional tax liability for CLAS, could adversely affect the value of the investments of CLAS, and/or affect the ability of CLAS to achieve its investment objectives.

Any change in the tax status of CLAS and/or any of its subsidiaries, or change in tax laws, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to CLAS and/or any of its subsidiaries, could adversely affect the distributions paid by CLAS and/or any of its subsidiaries.

Such changes in relation to tax laws, if any, may adversely affect CLAS' business, financial condition and results of operations.

In addition, the application of treaty benefits under the relevant Avoidance of Double Taxation Agreements (“DTAs”) and tax treaties, such as the application of reduced withholding tax rates or preferential tax rates on interest and/or dividend income received by the relevant members of CLAS, may be subject to certain conditions. There can be no assurance that the relevant entities in CLAS will, on an on-going basis, be able to meet the requisite conditions to benefit from the reduced withholding tax rates or preferential tax rates provided under such DTAs. Where reduced withholding tax rates or preferential tax rates are not applicable, this would reduce CLAS' income.

RISKS RELATING TO THE COUNTRIES IN WHICH THE PROPERTIES ARE LOCATED

CLAS is subject to risks relating to the economic, political, legal or social environments of the countries in which the Properties are located

CLAS is subject to risks associated with countries where certain Properties are located and which have, at various times in the past, been adversely affected by volatile economic, political and social conditions. The business, prospects, profitability and asset values of the properties may be materially and adversely affected by factors such as, among other things:

- unexpected changes in laws and regulations and uncertainty in connection with the application and/or implementation of existing laws and regulations;
- the ability of the Managers to deal with multiple and diverse regulatory regimes;
- potentially adverse tax consequences;
- uncertain protection for intellectual property rights;
- fluctuations in exchange rates between S\$ and the relevant foreign currency;
- the risk of nationalisation and expropriation of the Group's assets;
- imposition or tightening of foreign exchange controls or restrictions on repatriation of dividends or profits;
- social unrest or political instability; and
- adverse economic, political and other conditions.

In particular, the interpretation or application of laws and regulations in the countries or jurisdictions in which the Properties are located may be uncertain and subject to rapid and unforeseen changes. Neither CLAS nor the Managers have any control over such conditions and developments and cannot provide any assurance that such conditions and developments will not have a material adverse effect on the operations, financial condition and results of operations of the properties.

CLAS may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting Registered Business Trusts (as defined below) and/or REITs

CLAS may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts registered with the MAS (“**Registered Business Trusts**”) and/or REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect Registered Business Trusts and/or REITs in general, or CLAS, CapitaLand Ascott REIT and/or CapitaLand Ascott BT specifically.

The Properties or part thereof may be acquired compulsorily

The Properties or the land on which the properties therein are located in and outside of Singapore may be compulsorily acquired by the respective governments of the countries in which they are located for, among other things, public use or the public interest. In the event the Properties or the land on which they are located are compulsorily acquired, the income of CLAS may be adversely affected. The owner of a property within the Properties that is compulsorily acquired may be compensated in accordance with the laws of the respective jurisdiction. If the market value of the land (or part thereof) to be compulsorily acquired is greater than the compensation paid to CLAS, CLAS’ business, financial condition and results of operations could be adversely affected.

Potential liability for environmental problems could result in substantial costs

CLAS is subject to a variety of laws and regulations in countries in which the Properties are located concerning the protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. For example, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard to whether the owner or operator knows of, or is responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. CLAS has not provided for such potential obligations in its consolidated financial statements. Environmental laws and regulations may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports, investigations and due diligence exercises with respect to any of the Properties may not reveal all environmental liabilities, whether previous or current owners or operators of such Properties had created any material environmental condition not known to them or whether a material environmental condition exists in any one or more of these Properties. There also exists the risk that material environmental conditions, liabilities, or compliance concerns may have arisen or may arise in the future. Future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liabilities.

CLAS cannot provide assurance that more stringent requirements for environmental protection will not be imposed by the relevant governmental authorities in the future. If CLAS fails to comply with existing or future environmental laws and regulations of the jurisdictions in which the Properties are located, or fails to meet societal expectations with regard to environmental issues, CLAS may suffer damage to its reputation or may be required to pay penalties or fines or take remedial actions, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

There can be no assurance that the tourism promotion authorities in the countries in which CLAS operates will succeed in increasing tourism receipts or that such success, if any, will improve the financial performance of CLAS

The Properties target demand from both business travellers and leisure travellers. Therefore, the financial performance of the Properties may also be affected by the tourism industries of the respective countries in which CLAS operates. In this regard, there can be no assurance that the initiatives taken by the tourism promotion authorities in the countries in which CLAS operates to increase tourism receipts will be successful. Even if these initiatives are successful, it is not certain that an increase in tourism receipts would lead to a corresponding increase in the number of visitors or the length of their stay. Furthermore, an increase in the number of visitors or the length of their stay may not result in an increase in the revenues or gross operating profits of the Properties, or an increase in rental payments received by CLAS.

Delay by foreign tax authorities in assessing taxes of overseas Properties could affect the amount of payments on the Securities

In the event the entities holding overseas Properties in the property portfolio of CLAS is unable to obtain a tax audit clearance by the foreign tax authorities in a timely manner, the ability of CLAS to make payments on the Securities may be affected and CLAS may be required to obtain debt or other financing to satisfy payments on the Securities. If CLAS is unable to obtain financing on terms that are acceptable or CapitaLand Ascott REIT has reached its aggregate leverage limit imposed by the Property Funds Appendix, the amount (if any) and timing of payments on the Securities could be adversely affected.

RISKS RELATING TO THE SECURITIES GENERALLY

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities develops, there can be no assurance as to its liquidity or sustainability. Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments with a developed secondary market. This may particularly be the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally may have a more limited secondary market and higher price volatility than conventional debt securities. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and CLAS. If the Securities are trading at a discount, investors may not receive a favourable price for their Securities, and in some circumstances, investors may not be able to sell their Securities at their fair market value or at all.

A lack of liquidity may have a material adverse effect on the market value of the Securities. Although issuing additional Securities may increase their liquidity, there can be no assurance that the price of such Securities will not be adversely affected by such issuance.

Although an application will be made for the listing and quotation of Securities issued under the Programme agreed at or before issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of Securities will be so listed or that an active trading market will develop.

Fluctuation of the market value of the Securities issued under the Programme

The trading price of the Securities may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or their respective Related Entities (if any), and political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or their respective Related Entities (if any) generally. Adverse economic developments, in Singapore and countries in which the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or their respective Related Entities (if any) operate or have business dealings could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or their respective Related Entities (if any). As a result, the market price of the Securities may be above or below the price at which the Securities were initially issued to the market.

Further, global financial turmoil, geopolitical and trade tensions between the United States and China, rising energy prices, rising interest rates and inflation coupled with the ongoing conflict between Russia and Ukraine and the recent outbreak of war between Hamas and Israel have resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial or geopolitical conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Securities.

An investment in the Securities is subject to interest rate risk

An investment in fixed rate Securities involves the risk that subsequent changes in interest rates may adversely affect the value of the Securities and Securityholders may suffer unforeseen losses due to such fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in debt security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, debt security prices may rise. Securityholders may enjoy capital gains but interest or distribution payments received may be reinvested at lower prevailing interest rates.

Currency risk associated with Securities denominated in foreign currencies

As the Securities can be denominated in currencies other than Singapore dollars, the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Issuers, the Guarantor, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or CLAS may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected

The Issuers will pay principal and interest or distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if the Securityholder's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less interest and/or distribution or principal than expected, or no interest and/or distribution or principal at all.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns, as the principal repayment and interest payments or payments of distributions on the Securities may not keep pace with inflation.

The Securities are not secured

The Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves. Accordingly, on a winding-up or dissolution of the Relevant Issuer, CapitaLand Ascott REIT and/or CapitaLand Ascott BT, the Securityholders will not have recourse to any specific assets of the Relevant Issuer and its Related Entities (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance there would be sufficient value in the assets of the Relevant Issuer, CapitaLand Ascott REIT and/or CapitaLand Ascott BT, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

The regulation and reform of “benchmark” rates of distribution and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, including SORA, in particular with respect to certain Floating Rate Notes or Floating Rate Perpetual Securities where the reference rate may be SORA or another such benchmark. The Pricing Supplement for the Securities will specify whether SORA or another such benchmark is applicable.

Reference rates and indices which are deemed to be, or used as, “benchmarks” (including SORA) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union (“**EU**”). Among other things, it (a) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation, as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the “**FCA**”) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Securities linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

On 5 March 2021, the FCA announced, *inter alia*, the dates on which the various London Interbank Offered Rate (“**LIBOR**”) rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or by 30 June 2023.

Separately, the Euro risk free-rate working group for the Euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new Euro denominated cash products (including bonds) referencing the Euro Interbank Offered Rate (“**EURIBOR**”). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the Euro area financial system. On 11 May 2021, the Euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

In addition, as the Singapore Dollar Swap Offer Rate (“**SOR**”) methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after June 2023 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it had established an industry-led steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the SORA. On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark’s integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore has also proposed to discontinue certain tenors for the Singapore Interbank Offered Rate (“**SIBOR**”) and to amend the methodology for determining SIBOR. The Association of Banks in Singapore, the Singapore Foreign Exchange Market Committee and the Steering Committee for SOR & SIBOR Transition to SORA (“**SC-STs**”) (together, the “**Committees**”) laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. Following industry consultations by the Committees, SOR was discontinued by end-June 2023 and the issuance of SOR-linked loans and securities that

mature after end-2021 has ceased since end-April 2021, with financial institutions and their customers to cease usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021. Similarly, the Committees have announced plans to discontinue SIBOR, with 6-month SIBOR having been discontinued on 31 March 2022 and 1-month and 3-month SIBOR expected to be discontinued by end-2024.

In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021. On 31 March 2021, SC-STS also published a report which set out recommended timelines for the cessation of SOR and SIBOR linked financial products, which was updated on 5 August 2021 and 18 July 2022. On 14 December 2022, the SC-STS published an implementation paper setting out technical details for the implementation of SC-STS' supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. SC-STS' supplementary guidance applies to the active transition of unhedged SOR loans and is to be used up till end-2024. The implementation paper only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA. The SC-STS has also published an adjustment spread calculator which market participants have been encouraged to use for the purpose of supporting the active transition of SOR loans to SORA.

It is not possible to predict with certainty whether, and to what extent, any benchmark will continue to be supported going forward. This may cause such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark, (b) triggering changes in the rules or methodologies used in the benchmark and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the relevant Conditions) occurs in respect of an Original Reference Rate (as defined in the relevant Conditions) or other relevant reference rate and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate of Interest or, as the case may be, the Rate of Distribution (both as defined in the relevant Conditions) could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the relevant Conditions), with the application of an adjustment spread (which could be positive, negative or zero), and may include amendments to the relevant Conditions to ensure the proper operation of the new benchmark, all as determined by an Independent Adviser (as defined in the relevant Conditions) or the Relevant Issuer (acting in good faith and in a commercially reasonable manner) and as more fully described in the relevant Conditions. It is possible that the adoption of a Successor Rate or Alternative Rate, including any adjustment spread, may result in any Securities linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest or, as the case may be, Rate of Distribution) than they would if the Original Reference Rate were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest, or as the case may be, the Rate of Distribution for a particular Interest Period or Distribution Period may result in (i) (in the case of Floating Rate Notes) the Rate of Interest for the last preceding Interest Period being used and (ii) (in the case of Floating Rate Perpetual Securities) the Rate of Distribution for the last preceding Distribution Period being used. This may result in the effective application of a fixed rate for such Securities based on the last applicable rate.

Due to the uncertainty concerning the availability of benchmark replacements, successor rates and alternative rates and the involvement of an Independent Adviser and the potential for further regulatory developments, there is the risk that the relevant fallback provisions may not operate as intended at the relevant time.

The use of a benchmark replacement, successor rate or alternative rate (including with the application of an adjustment spread) may result in any Securities linked to or referencing the relevant benchmark replacement, successor rate or alternative rate performing differently (which may include payment of a lower rate of interest than they would if the relevant reference rate were to continue to apply in its current form).

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmark Regulations, as applicable, or any of the national or international reforms and the possible application of the benchmark replacement provisions of the Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes or Floating Rate Perpetual Securities

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted. Please refer to the risk factor entitled “*The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”*” for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk free rates issued under the Programme. The Issuer may in the future also issue Securities referencing risk free rates that differ materially in terms of interest determination when compared with any previous Securities referencing the same risk free rate issued by it under the Programme. The development of risk free rates as interest reference rates for the bond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Securities issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SORA, may mean that interest on the Securities which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date or, as the case may be, Distribution Payment Date. It may be difficult for investors in Securities which reference any such risk free rate to accurately estimate the amount of interest or distribution which will be payable on such Securities, and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which could adversely impact the liquidity of such Securities. Further, in contrast to SIBOR-linked securities,

if Securities referencing SORA become due and payable as a result of an event of default or enforcement event under the Conditions, the rate of interest payable for the final Interest Period or, as the case may be, Distribution Period in respect of such Securities may only be determined on the date which the Securities become due and payable. Investors should consider these matters when making their investment decision with respect to any such Securities.

In addition, the manner of adoption or application of risk free rates in the bond markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing such risk free rates.

In particular, investors should be aware that several different methodologies have been used in risk free rate securities issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Securities, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk free rates, including various ways to produce term versions of certain risk free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk free rates. If the relevant risk free rates do not prove to be widely used in securities like the Securities, the trading price of such Securities linked to such risk free rates may be lower than those of securities referencing indices that are more widely used.

Risk free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Securities may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk free rates nor should they rely on any hypothetical data.

Since risk free rates are relatively new market indices, Securities linked to any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Securities may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Securities is linked does not prove to be widely used in securities like the Securities, the trading price of such Securities linked to a risk free rate may be lower than those of Securities linked to indices that are more widely used. Investors in such Securities may not be able to sell such Securities at all or may not be able to sell such Securities at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Securities is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Securities referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of interest or distribution payable on such Securities and the trading prices of such Securities.

Enforcement against the CapitaLand Ascott BT Trustee-Manager is subject to limitations

The Securities are issued by the CapitaLand Ascott BT Trustee-Manager and not CapitaLand Ascott BT, as the latter is not a legal entity. Under the Conditions, Securityholders shall only have recourse to the assets of CapitaLand Ascott BT and not CapitaLand Ascott Business Trust Management Pte. Ltd. personally nor any other asset held by CapitaLand Ascott Business Trust Management Pte. Ltd. as trustee-manager of any trust other than CapitaLand Ascott BT. Furthermore, Securityholders do not have direct access to the assets of CapitaLand Ascott BT but may only have recourse to such assets through the CapitaLand Ascott BT Trustee-Manager and if necessary seek to subrogate the CapitaLand Ascott BT Trustee-Manager's right of indemnity out of the assets of CapitaLand Ascott BT, and accordingly, any claim to such assets is derivative in nature. A Securityholder's right of subrogation could be limited by the CapitaLand Ascott BT Trustee-Manager's right of indemnity under the CapitaLand Ascott BT Trust Deed. Such right of indemnity of the CapitaLand Ascott BT Trustee-Manager may not be available in the event of fraud, gross negligence or wilful default of the CapitaLand Ascott BT Trustee-Manager or breach of any provisions of the CapitaLand Ascott BT Trust Deed or breach of trust by the CapitaLand Ascott BT Trustee-Manager.

The Trust Deed, the Programme Agreement, the Agency Agreement and the Securities provide that recourse for any liability of or indemnity given by the CapitaLand Ascott BT Trustee-Manager under these documents is limited to the assets of CapitaLand Ascott BT and shall not extend to any personal assets of CapitaLand Ascott Business Trust Management Pte. Ltd., or any assets held by CapitaLand Ascott Business Trust Management Pte. Ltd. as trustee-manager of any trust other than CapitaLand Ascott BT. They also provide that the foregoing shall not restrict or prejudice any rights or remedies of any of the other parties to these documents in connection with any gross negligence, fraud, wilful default or breach of trust of the CapitaLand Ascott BT Trustee-Manager.

Enforcement against the CapitaLand Ascott REIT Trustee is subject to limitations

The Securities are issued, and (in the case where the Relevant Issuer is ARMPL) guaranteed, by the CapitaLand Ascott REIT Trustee and not CapitaLand Ascott REIT, as the latter is not a legal entity. Under the terms of the Securities, Securityholders shall only have recourse to the assets of CapitaLand Ascott REIT and not DBS Trustee Limited personally nor any other asset held by DBS Trustee Limited as trustee of any trust other than CapitaLand Ascott REIT. Furthermore, Securityholders do not have direct access to the assets of CapitaLand Ascott REIT but may only have recourse to such assets through the CapitaLand Ascott REIT Trustee and if necessary seek to subrogate the CapitaLand Ascott REIT Trustee's right of indemnity out of the assets of CapitaLand Ascott REIT, and accordingly, any claim to such assets is derivative in nature. A Securityholder's right of subrogation could be limited by the CapitaLand Ascott REIT Trustee's right of indemnity under the CapitaLand Ascott REIT Trust Deed. Such right of indemnity of the CapitaLand Ascott REIT Trustee may not be available in the event of fraud, gross negligence or wilful default of the CapitaLand Ascott REIT Trustee or breach of any provisions of the CapitaLand Ascott REIT Trust Deed or breach of trust by the CapitaLand Ascott REIT Trustee.

The Trust Deed, the Programme Agreement, the Agency Agreement and the Securities provide that recourse for any liability of or indemnity given by the CapitaLand Ascott REIT Trustee under these documents is limited to the assets of CapitaLand Ascott REIT and shall not extend to any personal assets of DBS Trustee Limited, or any assets held by DBS Trustee Limited as trustee of any trust other than CapitaLand Ascott REIT. They also provide that the foregoing shall not restrict or prejudice any rights or remedies of any of the other parties to these documents in connection with any gross negligence, fraud, wilful default or breach of trust of the CapitaLand Ascott REIT Trustee.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, CDP and/or such other clearing system, a “**Clearing System**”). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors can trade their beneficial interests only through the relevant Clearing System. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Securities and Global Certificates.

While the Securities are represented by one or more Global Securities or Global Certificates, the Relevant Issuer will discharge its payment obligations under the Securities by paying to the Common Depositary, CDP or such other Clearing System for distribution to their accountholders or, to the CDP Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders may act only if they are enabled by the relevant Clearing System(s) to appoint proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the Global Securities and the Global Certificates to take enforcement action against the Relevant Issuer if a default occurs under the relevant Securities but must rely upon their rights under the Trust Deed.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment given its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement or amendment to this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments differs from the potential investor’s currency;
- (iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact such investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Performance of contractual obligations by the Relevant Issuer depends on other parties

The ability of the Relevant Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Relevant Issuer of its obligations to make payments under the Securities, the Relevant Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders and/or the Couponholders.

Securities may be issued at a substantial discount or premium

The market values of Securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Definitive Securities and Certificates with a denomination that is not an integral multiple of the specified minimum denomination may be illiquid and difficult to trade

Securities issued with denominations of a specified minimum amount and a higher integral multiple of another smaller amount might be traded in amounts in excess of the minimum denomination that are not integral multiples thereof. In such a case, a Securityholder who, because of trading such amounts, holds a principal amount less than the minimum denomination will not receive a Definitive Security or Certificate in respect of its holding (should Definitive Securities or Certificates be issued) and would need to purchase a principal amount of Securities such that it holds an amount equal to or more than the minimum denomination. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Relevant Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including under Condition 10 of the Notes and Condition 9 of the Perpetual Securities), the Trustee may (at its sole discretion) request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee is not obliged to take any action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the Trust Deed and if there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

Provisions in the Trust Deed and the terms and conditions of the Securities may be modified

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of the Securityholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is to cure any ambiguity or of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified by the Relevant Issuer to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities and any such change could materially impact the value of any Securities affected by it.

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on the Securityholders

There can be no assurance that the Issuers, the Guarantor, CapitaLand Ascott REIT and/or CapitaLand Ascott BT will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to real estate investment trusts and business trusts. Application of these laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders. Where any of the Issuers, the Guarantor, CapitaLand Ascott REIT or CapitaLand Ascott BT is insolvent

or close to becoming insolvent and such Issuer, the Guarantor, the CapitaLand Ascott REIT Trustee or, as the case may be, the CapitaLand Ascott BT Trustee-Manager undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to such Issuer, the Guarantor, CapitaLand Ascott REIT or, as the case may be, CapitaLand Ascott BT. It may also be possible that if a company related to such Issuer, the Guarantor, the CapitaLand Ascott REIT Trustee or, as the case may be, the CapitaLand Ascott BT Trustee-Manager proposes a creditor scheme of arrangement and obtains an order for a moratorium, such Issuer, the Guarantor, the CapitaLand Ascott REIT Trustee or, as the case may be, the CapitaLand Ascott BT Trustee-Manager may also seek a moratorium even if such Issuer, the Guarantor, the CapitaLand Ascott REIT Trustee or, as the case may be, the CapitaLand Ascott BT Trustee-Manager is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the relevant judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the any of the Issuers, the Guarantor, CapitaLand Ascott REIT or, as the case may be, CapitaLand Ascott BT, the need to obtain court permission and (in the case of judicial management) the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number (or such number as the court may order) representing at least 75% in value of creditors and the court approve such scheme. In respect of such schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing at least 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the “**IRD Act**”) was passed in Parliament on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Securities.

RISKS RELATING TO THE NOTES

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2028 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Notes may be subject to optional redemption by the Relevant Issuer

An optional redemption feature is likely to limit the market value of the Notes with the feature. During any period when the Relevant Issuer may elect to redeem Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

RISKS RELATING TO THE PERPETUAL SECURITIES

Investors have no right to require redemption of Perpetual Securities

The Perpetual Securities have no final maturity date. Perpetual Securityholders have no right to require the Relevant Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Relevant Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Relevant Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Relevant Issuer is not subject to any limit as to the number of times or the amount with respect to which the Relevant Issuer can elect not to pay distributions under the Perpetual Securities. While the Relevant Issuer may, at its sole discretion and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Relevant Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Relevant Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Relevant Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Relevant Issuer's or the Group's financial condition.

If specified in the relevant Pricing Supplement, the Relevant Issuer may at its option redeem the Perpetual Securities at specified date(s) or on the occurrence of certain other events

The Perpetual Securities have no fixed maturity date. If specified in the relevant Pricing Supplement, the Relevant Issuer may redeem the Perpetual Securities at its option on the date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Relevant Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or at any time after such Distribution Payment Date, upon the occurrence of certain other events. See the sections “Terms and Conditions of the CapitaLand Ascott BT Perpetual Securities – 5. Redemption and Purchase” and “Terms and Conditions of the CapitaLand Ascott REIT Perpetual Securities – 5. Redemption and Purchase” in this Information Memorandum.

The date on which the Relevant Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or their individual circumstances. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment default under the Perpetual Securities

Any scheduled distribution will not be due if the Relevant Issuer elects not to pay all or a part of that distribution under the Conditions of the Perpetual Securities. Notwithstanding the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings (as defined in Condition 9(a) of the CapitaLand Ascott BT Perpetual Securities and Condition 9(a) of the CapitaLand Ascott REIT Perpetual Securities) is limited to circumstances where payment of principal, interest or other amounts payable under the Perpetual Securities has become due and such default continues for 15 business days after the due date. The only remedy against the Relevant Issuer, the Guarantor, CapitaLand Ascott REIT and/or CapitaLand Ascott BT available to the Trustee or (where the Trustee has failed to proceed against the Relevant Issuer, the Guarantor, CapitaLand Ascott REIT and/or CapitaLand Ascott BT as provided in the Conditions of the Perpetual Securities) any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following a non-payment default will be instituting proceedings for the Winding-Up of CapitaLand Ascott REIT and/or CapitaLand Ascott BT, proving in the Winding-Up of the Relevant Issuer, CapitaLand Ascott REIT and/or CapitaLand Ascott BT, and/or claiming in the liquidation of the Relevant Issuer, CapitaLand Ascott REIT and/or CapitaLand Ascott BT in respect of any payment or other obligations of the Relevant Issuer arising from the Perpetual Securities.

The Relevant Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Relevant Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities that the Relevant Issuer may issue or incur, as the case may be, and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Relevant Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by Perpetual Securityholders on a Winding-Up of the Relevant Issuer, CapitaLand Ascott REIT and/or CapitaLand Ascott BT, and may increase the likelihood of a

deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Perpetual Securityholders to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Relevant Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations.

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 9(a) of the CapitaLand Ascott BT Perpetual Securities) of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, there shall be payable by the CapitaLand Ascott BT Trustee-Manager in respect of each Subordinated Perpetual Security (in lieu of any other payment by the CapitaLand Ascott BT Trustee-Manager), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CapitaLand Ascott BT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the **“CapitaLand Ascott BT Notional Preferred Units”**) having an equal right to return of assets in the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a) of the CapitaLand Ascott BT Perpetual Securities) of the CapitaLand Ascott BT Trustee-Manager but junior to the claims of all other present and future creditors of the CapitaLand Ascott BT Trustee-Manager (other than Parity Obligations of the CapitaLand Ascott BT Trustee-Manager), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CapitaLand Ascott BT Notional Preferred Unit on a return of assets in such Winding-Up of the CapitaLand Ascott BT Trustee-Manager or CapitaLand Ascott BT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the CapitaLand Ascott BT Perpetual Securities) in respect of which the CapitaLand Ascott BT Trustee-Manager has given notice to the Perpetual Securityholders in accordance with these Conditions.

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 9(a) of the CapitaLand Ascott REIT Perpetual Securities) of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, there shall be payable by the CapitaLand Ascott REIT Trustee in respect of each Subordinated Perpetual Security (in lieu of any other payment by the CapitaLand Ascott REIT Trustee), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CapitaLand Ascott REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the **“CapitaLand Ascott REIT Notional Preferred Units”**) having an equal right to return of assets in the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a) of the CapitaLand Ascott REIT Perpetual Securities) of the CapitaLand Ascott REIT Trustee but junior to

the claims of all other present and future creditors of the CapitaLand Ascott REIT Trustee (other than Parity Obligations of the CapitaLand Ascott REIT Trustee), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CapitaLand Ascott REIT Notional Preferred Unit on a return of assets in such Winding-Up of the CapitaLand Ascott REIT Trustee or CapitaLand Ascott REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the CapitaLand Ascott REIT Perpetual Securities) in respect of which the CapitaLand Ascott REIT Trustee has given notice to the Perpetual Securityholders in accordance with these Conditions.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Relevant Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Relevant Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of the Relevant Issuer, CapitaLand Ascott REIT and/or CapitaLand Ascott BT and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the “**Relevant Tranche of the Perpetual Securities**”) will be regarded as “debt securities” by the IRAS for the purposes of the ITA, whether payments in respect of each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will be regarded as interest payable on indebtedness and whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section “Singapore Taxation” of this Information Memorandum) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA, payments in respect of each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to Perpetual Securityholders may differ. In addition, in the event that the IRAS does not regard the Relevant Tranche of the Perpetual Securities issued by the CapitaLand Ascott REIT Trustee as “debt securities” for Singapore income tax purposes, payments in respect of such Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) may be subject to Singapore income tax, and the CapitaLand Ascott REIT Trustee may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the CapitaLand Ascott REIT Trustee will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of such Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties.

Perpetual Securityholders are advised to consult their own accounting and tax advisers regarding the Singapore tax treatment of payments made to them under the Relevant Tranche of Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) including the risk of such payments being subject to Singapore withholding tax.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the selected consolidated financial information of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group as at and for the years ended 31 December 2021 (“FY2021”), 31 December 2022 (“FY2022”) and 31 December 2023 (“FY2023”).

*The selected consolidated financial information as at and for FY2021, FY2022 and FY2023 has been derived from the CapitaLand Ascott REIT Group’s, the CapitaLand Ascott BT Group’s and the Stapled Group’s audited consolidated financial statements for FY2022 and FY2023 (the “**Audited Consolidated Financial Statements**”) respectively, which are incorporated by reference in this Information Memorandum and should be read together with such financial statements and the accompanying notes thereto.*

The past performance of CLAS is not indicative of future performance. The CapitaLand Ascott REIT Group’s, the CapitaLand Ascott BT Group’s or, as the case may be, the Stapled Group’s historical results for any prior years are not necessarily indicative of results to be expected for any future year.

The CapitaLand Ascott REIT Group’s, the CapitaLand Ascott BT Group’s or, as the case may be, the Stapled Group’s financial statements are reported in Singapore dollars.

The CapitaLand Ascott REIT Group’s and the Stapled Group’s audited financial statements for FY2022 and FY2023 contained and/or incorporated by reference in this Information Memorandum were prepared and presented in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds”. The CapitaLand Ascott BT Group’s audited financial statements for FY2022 and FY2023 contained and/or incorporated by reference in this Information Memorandum were prepared and presented in accordance with the Singapore Financial Reporting Standards (International). The Audited Consolidated Financial Statements have been audited by KPMG LLP, the retiring auditors of CLAS. Deloitte & Touche LLP has been appointed as the new auditors of CLAS in place of the retiring auditors, KPMG LLP at CLAS’ annual general meeting held on 19 April 2024.

Consolidated Statements of Total Return

[illegible]

	Audited									
	CapitaLand Ascott REIT Group				CapitaLand Ascott BT Group				Stapled Group	
	FY2021	FY2022	FY2023		FY2021	FY2022	FY2023		FY2021	FY2022
	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000		S\$'000	S\$'000
Net income	76,433	134,021	196,323		3,309	3,585	24,282		74,451	131,419
Net change in fair value of investment properties, investment properties under development and assets held for sale	115,809	138,850	109,405		4,993	(4,534)	1,746		126,058	122,353
Net change in fair value of financial derivatives	-	597	(25,283)		-	-	956		-	597
Revaluation surplus on land and buildings	-	-	-		21,201	5,393	-		21,201	5,393
Net change in fair value of investment securities	91	253	38		-	-	-		-	-
Profit from divestments	153,226	99	16,016		-	-	-		153,226	99
Investment properties written off	(4)	(78)	(1,478)		-	-	-		(4)	(78)
Total return for the year before income tax	345,555	273,742	295,021		29,503	4,444	26,984		374,932	259,783
Income tax expense	(56,995)	(29,168)	(71,541)		(7,520)	(4,395)	(903)		(64,515)	(33,563)
Total return for the year	288,560	244,574	223,480		21,983	49	26,081		310,417	226,220
Total return/(loss) attributable to:										
Stapled Securityholders and perpetual securities holders	287,488	241,731	225,085		21,913	(3)	26,078		309,317	223,305
Non-controlling interests	1,072	2,843	(1,605)		70	52	3		1,100	2,915
	288,560	244,574	223,480		21,983	49	26,081		310,417	226,220
										229,781

	Audited					
	CapitaLand Ascott REIT Group			CapitaLand Ascott BT Group		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total Distribution						
				137,323	189,834	237,009
Earnings per Stapled Security (cents)						
Basic				9.36	6.28	6.10
Diluted				9.32	6.25	6.07
Distribution per Stapled Security (cents)				4.32	5.67	6.57

Consolidated Statements of Financial Position

	Audited									
	CapitalLand Ascott REIT Group				CapitalLand Ascott BT Group			Stapled Group		
	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets										
Investment properties	5,882,709	6,075,974	6,498,182	515,117	447,974	424,990	6,297,854	6,103,633	6,501,017	
Property, plant and equipment	37,189	35,562	47,348	587,578	570,389	602,005	624,767	944,878	1,001,941	
Investment properties under development	302,863	385,707	268,000	—	—	—	302,863	385,707	268,000	
Investment securities	2,163	2,416	2,454	—	—	—	—	—	—	
Associate	3,013	3,035	2,985	—	—	—	3,013	3,035	2,985	
Joint venture	13,800	—	—	—	—	—	13,800	—	—	
Financial derivative assets	18,814	69,942	84,653	1,097	—	209	19,911	69,942	84,862	
Deferred tax assets	3,171	10,738	10,595	4,405	4,137	3,983	7,576	14,875	14,578	
	6,263,722	6,583,374	6,914,217	1,108,197	1,022,500	1,031,187	7,269,784	7,522,070	7,873,383	
Current assets										
Inventories	85	20	91	248	275	456	334	295	547	
Trade and other receivables	183,038	257,341	316,041	10,520	15,804	13,714	104,429	112,187	109,556	
Assets held for sale	1,519	1,020	211,599	—	—	95,628	1,519	1,020	307,227	
Financial derivative assets	536	21,463	7,306	10,312	3,024	—	10,848	24,487	7,306	
Cash and cash equivalents	301,163	299,251	369,371	45,169	64,383	63,435	346,332	363,634	432,806	
	486,341	579,095	904,408	66,249	83,486	173,233	463,462	501,623	857,442	
Total assets	6,750,063	7,162,469	7,818,625	1,174,446	1,105,986	1,204,420	7,733,246	8,023,693	8,730,825	

Audited

	CapitaLand Ascott REIT Group				CapitaLand Ascott BT Group				Stapled Group			
	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities												
Financial liabilities	1,733,950	2,389,473	2,385,856	230,789	83,407	100,143	1,964,739	2,472,880	2,485,999			
Financial derivative liabilities	1,100	6,939	7,100	–	–	566	1,100	6,939	7,666			
Trade and other payables	–	32	–	9,618	8,624	8,135	9,618	8,656	8,135			
Deferred income	–	–	7,969	1,128	876	747	1,128	876	8,716			
Deferred tax liabilities	111,455	121,425	154,002	38,330	39,458	41,323	149,785	160,883	195,325			
Lease liabilities	267,238	257,368	253,677	94,448	76,203	64,412	267,238	257,368	253,677			
	2,113,743	2,775,237	2,808,604	374,313	208,568	215,326	2,393,608	2,907,602	2,959,518			
Current liabilities												
Financial liabilities	645,764	226,244	529,122	118,421	175,462	33,240	764,185	401,706	562,362			
Financial derivative liabilities	728	5	–	–	810	–	728	815	–			
Trade and other payables	135,691	212,432	286,577	120,000	192,769	285,654	166,562	244,243	352,032			
Deferred income	–	–	425	969	135	120	969	135	545			
Current tax liabilities	28,932	11,593	15,207	1,902	3,158	579	30,834	14,751	15,786			
Lease liabilities	8,641	9,646	10,288	5,524	5,185	5,155	8,641	9,646	10,288			
	819,756	459,920	841,619	246,816	377,519	324,748	971,919	671,296	941,013			
Total liabilities	2,933,499	3,235,157	3,650,223	621,129	586,087	540,074	3,365,527	3,578,898	3,900,531			
Net assets	3,816,564	3,927,312	4,168,402	553,317	519,899	664,346	4,367,719	4,444,795	4,830,294			

Audited

	CapitaLand Ascott REIT Group			CapitaLand Ascott BT Group			Stapled Group		
	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Represented by:									
Stapled Securityholders' funds	3,341,450	3,449,568	3,696,155	549,409	515,868	660,198	3,890,860	3,965,436	4,356,353
Perpetual securities holders	396,298	396,298	396,298	—	—	—	396,298	396,298	396,298
Non-controlling interests	78,816	81,446	75,949	3,908	4,031	4,148	80,561	83,061	77,643
	3,816,564	3,927,312	4,168,402	553,317	519,899	664,346	4,367,719	4,444,795	4,830,294
Stapled Securities in issue ('000)									
	3,276,547	3,445,625	3,763,304	3,276,547	3,445,625	3,763,304	3,276,547	3,445,625	3,763,304
Net asset value per Stapled Security (S\$)	1.02	1.00	0.98	0.17	0.15	0.18	1.19	1.15	1.16

FY2023 vs FY2022

Gross Revenue

Revenue for FY2023 increased by S\$123.3 million (20%) to S\$744.5 million as compared to FY2022.

The increase in revenue from FY2022 was mainly attributed to higher revenue of S\$95.9 million from the existing portfolio and additional contribution of S\$28.1 million from the properties acquired during FY2023 and full year contribution from the properties acquired in FY2022. The contribution from the acquisitions had more than offset the decrease in revenue of S\$0.7 million from the divestment of four properties in regional France in September 2023.

RevPAU

RevPAU increased by 23%, from S\$120 in FY2022 to S\$148 in FY2023.

Gross Profit

Gross profit for FY2023 increased by 20% to S\$338.2 million as compared to FY2022, mainly due to higher revenue, partially offset by higher staff costs, operation & maintenance expense and marketing expense.

Gross profit from the stable income sources (which include master leases, management contracts with minimum guaranteed income, rental housing and student accommodation properties) contributed approximately 56% of the gross profit for FY2023.

Gross profit from the management contracts for FY2023 increased by 24% to S\$202.7 million as compared to FY2022 due to stronger performance from most countries and the new acquisitions.

Total Distribution

Total distribution to Stapled Securityholders of S\$237.0 million for FY2023 was 25% higher as compared to FY2022. Distribution per Stapled Security (“DPS”) for FY2023 was 6.57 cents, 16% higher than the DPS for FY2022. Excluding the one-off items, adjusted DPS was 14% higher year-on-year due to stronger operating performance from the existing properties and contribution from the acquisitions.

FY2022 vs FY2021

Gross Revenue

Revenue for FY2022 increased by S\$226.8 million (58%) to S\$621.2 million as compared to FY2021. This was mainly due to higher revenue of S\$176.2 million from the existing properties and contribution of S\$54.7 million from the properties acquired in FY2022 and full year contribution from the properties acquired in FY2021. The contribution from the acquisitions had more than offset the decrease in revenue of S\$4.1 million from the divestments in FY2021 (namely, Citadines City Centre Grenoble in March 2021, Citadines Didot Montparnasse Paris in May 2021 and Somerset Xu Hui Shanghai in May 2021).

RevPAU

RevPAU increased by 74%, from S\$69 in FY2021 to S\$120 in FY2022.

Gross Profit

Gross profit for FY2022 increased by 63% to S\$282.8 million as compared to FY2021, mainly due to higher revenue.

CLAS' stable income sources contributed approximately 59% of CLAS' gross profit for FY2022. Gross profit from the management contracts increased by 133% due to stronger performance from most countries with the recovery from COVID-19 and the new acquisitions.

Total Distribution

Total distribution to Stapled Securityholders of S\$189.8 million for FY2022 was 38% higher as compared to FY2021. DPS for FY2022 was 5.67 cents, 31% higher than the DPS for FY2021. Excluding one-off items and the divestment gains of S\$45.0 million distributed in FY2021, the DPS rose 106% year-on-year due to stronger operating performance in FY2022 and active portfolio management.

Change in fair value of the Stapled Group's portfolio of properties

As at 31 December 2023, independent full valuations were carried out by HVS (except for the three hotels in USA, the six hotels in Australia, the two hotels in South Korea and the eight student accommodation properties in USA). For the three hotels in USA and the six hotels in Australia, the valuations were carried out by Colliers. For the two hotels in South Korea, the valuations were carried out by CBRE. For the eight student accommodation properties in USA, the valuations were carried out by JLL Valuation & Advisory Services, LLC. In determining the fair value of the Stapled Group's portfolio, the discounted cash flow method, direct capitalisation method and residual land value method were used.

As at 31 December 2023, the Stapled Group's portfolio was revalued at S\$7.8 billion, resulting in a surplus of S\$156.0 million of which S\$101.1 million was recognised in the Stapled Group's consolidated statement of total return in FY2023 and S\$54.9 million was recognised in the asset revaluation reserve on the balance sheet in FY2023. The surplus resulted from higher valuation of the Stapled Group's properties in Australia, Europe, Japan, Singapore and United Kingdom, partially offset by lower valuation from the properties in China, USA and Vietnam. The net impact on the Stapled Group's consolidated statement of total return was S\$75.1 million (net of tax and non-controlling interests).

As at 31 December 2022, independent full valuations were carried out by Colliers (except for the three hotels in USA, the two hotels in South Korea, the nine properties acquired on 30 November 2022 and the two Japan rental housing properties acquired in December 2022). For the three hotels in USA and the two hotels in South Korea, the valuations were carried out by CBRE. For eight of the properties acquired on 30 November 2022, namely La Clef Tour Eiffel Paris, five rental housing properties in Japan, Quest Cannon Hill and Somerset Central TD Hai Phong City, the valuations were carried out by HVS. For Standard at Columbia, which was acquired on 30 November 2022, the valuation was carried out by JLL Valuation & Advisory Services, LLC. For Eslead Residence Bentencho Grande and Eslead Residence Umeda Grande, which were acquired in December 2022, the valuations were carried out by Asset Valuation Partners. In determining the fair value of the Stapled Group's portfolio, the discounted cash flow method, direct capitalisation method and residual land value method were used.

As at 31 December 2022, the Stapled Group's portfolio was revalued at S\$7.2 billion, resulting in a surplus of S\$200.0 million of which S\$127.8 million was recognised in the Stapled Group's consolidated statement of total return in FY2022 and S\$72.2 million was recognised in the asset revaluation reserve on the balance sheet in FY2022. The surplus resulted from higher valuation of the Stapled Group's properties in Australia, Singapore, United Kingdom and USA, partially offset by lower valuation from the properties in China and Vietnam. The net impact on the Stapled Group's consolidated statement of total return was S\$98.9 million (net of tax and non-controlling interests).

As at 31 December 2021, independent full valuations were carried out by Colliers (except for the six hotels in Australia, three rental housing properties in Japan and the three student accommodation properties in USA). The six hotels in Australia were valued by CBRE Valuations Pty Limited. The three rental housing properties in Japan acquired in June 2021 were valued by Savills Japan Co., Ltd, Cushman & Wakefield K.K. and Asset Valuation Partners. The three student accommodation properties in USA were valued by Newmark Valuation & Advisory, LLC and Newmark Knight Frank Valuation & Advisory, LLC. In determining the fair value of the Stapled Group's portfolio, the discounted cash flow method, direct capitalisation method and residual land value method were used. The Stapled Group's portfolio was revalued at S\$7.0 billion, resulting in a surplus of S\$147.3 million which was recognised in the Stapled Group's consolidated statement of total return in FY2021. The surplus resulted mainly from higher valuation of the Stapled Group's properties in Europe, Japan and USA in view of the improving outlook and stronger operating performance of the properties. The net impact on the Stapled Group's consolidated statement of total return was S\$120.8 million (net of tax and non-controlling interests).

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the consolidated capitalisation and indebtedness of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group, and the Stapled Group as at 31 December 2023. The information set out in this table has been extracted from and should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere and/or incorporated by reference in this Information Memorandum.

	As at 31 December 2023 (S\$'000)		
	CapitaLand Ascott REIT Group	CapitaLand Ascott BT Group	Stapled Group
Total short-term borrowings	529,122	33,240	562,362
Total long-term borrowings	2,385,856	100,143	2,485,999
Total borrowings	<u>2,914,978</u>	<u>133,383</u>	<u>3,048,361⁽¹⁾</u>
Total Stapled Securityholders' funds	3,696,155	660,198	4,356,353
Total capitalisation⁽²⁾	<u><u>6,611,133</u></u>	<u><u>793,581</u></u>	<u><u>7,404,714</u></u>

Notes:

(1) Net of unamortised fees and expenses incurred for debt raising exercises amounting to S\$12.1 million.

(2) "Total capitalisation" is defined as borrowings and equity attributable to Stapled Securityholders.

Save as disclosed in this Information Memorandum, there has been no material change in the capitalisation or indebtedness of the Stapled Group since 31 December 2023 as at the date of this Information Memorandum.

USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used (a) to refinance the existing borrowings of CLAS, (b) to finance or refinance the acquisitions and/or investments of CapitaLand Ascott REIT, CapitaLand Ascott BT or, as the case may be, CLAS and any asset enhancement works initiated by CapitaLand Ascott REIT, CapitaLand Ascott BT or, as the case may be, CLAS or any trust, fund or entity in which CapitaLand Ascott REIT, CapitaLand Ascott BT or, as the case may be, CLAS has an interest, (c) to on-lend to any trust, fund or entity in which CapitaLand Ascott REIT, CapitaLand Ascott BT or, as the case may be, CLAS has an interest or (d) to finance general working capital purposes of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group or, as the case may be, CLAS and/or (e) for such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the CDP Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities (“QDS”) scheme for early redemption fee (as defined in the ITA) and redemption premium (as such term has been amended by the ITA). These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that payments made under each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for QDS, provided that the other conditions under the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA or payments made under each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to such holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 24.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium derived from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) prior to 1 January 2014 and by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Companies (as defined in the ITA) thereafter and who are Specified Licensed Entities (as defined below), any tranche of the Securities (the “**Relevant Securities**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the “**Qualifying Income**”) from the Relevant

Securities paid by the Relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities paid by the Relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

- (iii) subject to:

- (aa) the Relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

- (bb) the furnishing by the Relevant Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Relevant Issuer.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Relevant Issuer or the CapitaLand Ascott REIT Manager, such Relevant Securities would not qualify as QDS; and

- (B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer or the CapitaLand Ascott REIT Manager, Qualifying Income derived from such Relevant Securities held by:

- (i) any related party of the Relevant Issuer or the CapitaLand Ascott REIT Manager; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Relevant Issuer or the CapitaLand Ascott REIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the ITA, the reference to the term “**Specified Licensed Entity**” above means:

- (i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (ii) a finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (iii) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms “**early redemption fee**”, “**redemption premium**” and “**related party**” are defined in the ITA as follows:

“early redemption fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities;

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

“related party”, in relation to a person (A), means any person (a) who directly or indirectly controls A; (b) who is being controlled directly or indirectly by A; or (c) who, together with A, is directly or indirectly under the control of a common person.

References to “early redemption fee”, “redemption premium” and “related party” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“**FRS**”) 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Securities is made. See also “Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

3. Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Relevant Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Relevant Issuer pursuant to the Programme Agreement.

The Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuers, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or their affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuers, CapitaLand Ascott REIT, CapitaLand Ascott BT and/or their respective affiliates in the ordinary course of the Issuers' or their business. The Relevant Issuer may from time to time agree with the relevant Dealer(s) that the Relevant Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Relevant Issuer in such jurisdiction.

In connection with the issue of any Tranche of Securities, such Securities, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Relevant Issuer that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arrangers, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuers or their respective subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuers, CapitaLand Ascott REIT, CapitaLand Ascott BT or their respective subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes whether or not with a view to later distribution.

Accordingly, references herein to the Securities being “offered” should be read as including any offering of the Securities to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

In respect of Securities offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Securities and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Securities constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act (“**Regulation S**”) or pursuant to another exemption from the registration requirements of the Securities Act.

Accordingly, if Category 1 is specified in the applicable Pricing Supplement, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

In respect of Securities offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Securities and the Guarantee the Securities and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S.

In respect of Securities offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Securities of the Tranche of which such Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In addition, until 40 days after the commencement of the offering of any Series of Securities, an offer or sale of such Securities within the United States by any dealer (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

European Economic Area and the United Kingdom

The following selling restriction is applicable to issues of Perpetual Securities only:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offers or sales of the Perpetual Securities will be made in, or to any person domiciled in, or having their registered office located in, any member of the European Economic Area and in the United Kingdom.

The following selling restriction is applicable to issues of Notes only:

- (a) Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not engage in the offer or marketing of the Notes in any jurisdiction in which Directive 2011/61/EU (the “**AIFM Directive**”) has been implemented, save that they may, notwithstanding the foregoing but without prejudice to any other matter contained in this section, engage in the offer or marketing of the Notes in Germany, France, The Netherlands, Norway, Denmark, Finland, Italy, Spain, Belgium, Austria, Luxembourg, Portugal, Ireland and such further jurisdictions as agreed in writing between the Relevant Issuer and the relevant Dealer prior to any such marketing or offer taking place (each such jurisdiction in which such marketing or offer is permitted pursuant to this paragraph being a “**Relevant AIFMD Jurisdiction**”).
- (b) For the avoidance of doubt, and notwithstanding the foregoing or the generality of the matters set out under “Subscription, Purchase and Distribution” of this Information Memorandum, no Dealer has made any representation, undertaking or agreement that it has complied with the provisions of the AIFM Directive, as such directive is implemented into, and interpreted in accordance with, the laws of each Relevant AIFMD Jurisdiction.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Securities to the public in that Member State:

- (i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Relevant Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or

- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer represents and agrees, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Securities to the public in the United Kingdom:

- (i) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the Financial Conduct Authority provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Relevant Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Relevant Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Relevant Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities, except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”), other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be

made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the “SFA” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Relevant Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Relevant Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Securities. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Relevant Issuer, the Guarantor, or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Information Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Securities (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Relevant Issuer and/or the Guarantor. In addition, CMI (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Securities. CMI is informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Securities, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any “Associations” (as used in the SFC Code);
- whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request

other CMLs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMLs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes or publishes any prospectus, circular, advertisement or any other document (including this Information Memorandum) or any Pricing Supplement.

Selling restrictions may be supplemented or modified with the agreement of the Relevant Issuer. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Securities or a supplement to this Information Memorandum).

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

SHARE CAPITAL OF ARMPL

1. As at the Latest Practicable Date, there is only one class of ordinary shares in ARMPL. The rights and privileges attached to the shares are stated in the Constitution of ARMPL.
2. Save as disclosed below, no shares in ARMPL have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the Latest Practicable Date.
3. The issued share capital of ARMPL as at the Latest Practicable Date is as follows:

Share Designation	Issued Share(s)	Issued Share Capital (S\$)
Ordinary Shares	1	1

SHARE CAPITAL OF THE CAPITALAND ASCOTT BT TRUSTEE-MANAGER

4. As at the Latest Practicable Date, there is only one class of ordinary shares in the CapitaLand Ascott BT Trustee-Manager. The rights and privileges attached to the shares are stated in the Constitution of the CapitaLand Ascott BT Trustee-Manager.
5. Save as disclosed below, no shares in the CapitaLand Ascott BT Trustee-Manager have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the Latest Practicable Date.
6. The issued share capital of the CapitaLand Ascott BT Trustee-Manager as at the Latest Practicable Date is as follows:

Share Designation	Issued Share(s)	Issued Share Capital (S\$)
Ordinary Shares	1	1

UNITS IN CAPITALAND ASCOTT REIT

7. As at the Latest Practicable Date, there is only one class of units in CapitaLand Ascott REIT. The rights and privileges attached to the units of CapitaLand Ascott REIT are stated in the CapitaLand Ascott REIT Trust Deed. Each unit of CapitaLand Ascott REIT is stapled to a corresponding unit of CapitaLand Ascott BT pursuant to the Stapling Deed.
8. As at the Latest Practicable Date, there are 3,786,531,273 units of CapitaLand Ascott REIT issued and outstanding.
9. As at the Latest Practicable Date, CapitaLand is the holder of 1,088,595,423 units (direct and deemed interest) of CapitaLand Ascott REIT.

UNITS IN CAPITALAND ASCOTT BT

10. As at the Latest Practicable Date, there is only one class of units in CapitaLand Ascott BT. The rights and privileges attached to the units of CapitaLand Ascott BT are stated in the CapitaLand Ascott BT Trust Deed. Each unit of CapitaLand Ascott BT is stapled to a corresponding unit of CapitaLand Ascott REIT pursuant to the Stapling Deed.
11. As at the Latest Practicable Date, there are 3,786,531,273 units of CapitaLand Ascott BT issued and outstanding.
12. As at the Latest Practicable Date, CapitaLand is the holder of 1,088,595,423 units (direct and deemed interest) of CapitaLand Ascott BT.

BORROWINGS

13. Save as disclosed in Appendix III, each of CapitaLand Ascott REIT and CapitaLand Ascott BT had as at 31 December 2023 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

14. The Directors of each of the Issuers are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, each of the Issuers will have adequate working capital for their present requirements.
15. The Guarantor is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, CapitaLand Ascott REIT will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

16. There are no significant changes in the accounting policies of CLAS since its audited financial statements for the year ended 31 December 2023.

CONSENT

17. KPMG LLP and Deloitte & Touche LLP have given and have not withdrawn their written consent to the issue of this Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

MATERIAL ADVERSE CHANGE

18. There has been no material adverse change in the financial condition or business of each of the Issuers, CapitaLand Ascott REIT, CapitaLand Ascott BT, the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group since 31 December 2023.

LITIGATION

19. There are no legal or arbitration proceedings pending or threatened against the Issuers, the Guarantor (in its capacity as trustee of CapitaLand Ascott REIT), CapitaLand Ascott REIT, CapitaLand Ascott BT or any of their respective subsidiaries (if any) the outcome of which may have or have had during the 12 months prior to the Latest Practicable Date a material adverse effect on the financial position of the Issuers, the Guarantor (in its capacity as trustee of CapitaLand Ascott REIT), CapitaLand Ascott REIT, CapitaLand Ascott BT, the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group.

DOCUMENTS AVAILABLE FOR INSPECTION

20. Copies of the following documents may be inspected at the registered office of the CapitaLand Ascott REIT Manager and the CapitaLand Ascott BT Trustee-Manager during normal business hours⁶¹ for a period of three months from the date of this Information Memorandum:
- (a) the Constitution of ARMPL, the CapitaLand Ascott REIT Manager and the CapitaLand Ascott BT Trustee-Manager;
 - (b) the CapitaLand Ascott REIT Trust Deed;
 - (c) the CapitaLand Ascott BT Trust Deed;
 - (d) the Stapling Deed;
 - (e) the Trust Deed;
 - (f) the letters of consent referred to in paragraph 17 above; and
 - (g) the audited consolidated financial statements of CLAS and its subsidiaries for the financial year ended 31 December 2023.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

21. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

⁶¹ Prior appointment with the CapitaLand Ascott REIT Manager and the CapitaLand Ascott BT Trustee-Manager is required. Please contact the CapitaLand Ascott Trust Investor Relations team at +65 6713 2888.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CAPITALAND
ASCOTT TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2022**

The information in this Appendix II has been extracted and reproduced from the auditor's report on the audited consolidated financial statements of CLAS for the financial year ended 31 December 2022 and has not been specifically prepared for inclusion in this Information Memorandum.

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Report of the Trustee of CapitaLand Ascott Real Estate Investment Trust

(formerly known as Ascott Real Estate Investment Trust)

DBS Trustee Limited (the “REIT Trustee”) is under a duty to take into custody and hold the assets of CapitaLand Ascott Real Estate Investment Trust (“CapitaLand Ascott REIT”) (formerly known as Ascott Real Estate Investment Trust) held by it or through its subsidiaries (collectively, the “CapitaLand Ascott REIT Group”) in trust for the holders of units in CapitaLand Ascott REIT. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of CapitaLand Ascott Trust Management Limited (the “REIT Manager”) (formerly known as Ascott Residence Trust Management Limited) for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 19 January 2006 (as amended) (the “CapitaLand Ascott REIT Trust Deed”) between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Stapled Securityholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed the CapitaLand Ascott REIT Group during the year covered by these financial statements, set out on pages 152 to 316 in accordance with the limitations imposed on the investment and borrowing powers set out in the CapitaLand Ascott REIT Trust Deed.

For and on behalf of the REIT Trustee,
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore
9 March 2023

Report of the Manager of CapitaLand Ascott Real Estate Investment Trust

(formerly known as Ascott Real Estate Investment Trust)

In the opinion of the directors of CapitaLand Ascott Trust Management Limited (formerly known as Ascott Residence Trust Management Limited) (the “REIT Manager”), the Manager of CapitaLand Ascott Real Estate Investment Trust (“CapitaLand Ascott REIT”) (formerly known as Ascott Real Estate Investment Trust), the accompanying consolidated financial statements of CapitaLand Ascott REIT and its subsidiaries (the “CapitaLand Ascott REIT Group”), and CapitaLand Ascott Trust (“CLAS”) (formerly known as Ascott Residence Trust) (the “Stapled Group”, comprising the CapitaLand Ascott REIT Group and CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) and its subsidiaries) set out on pages 152 to 316, comprising the Statements of Financial Position, Statements of Total Return, Statements of Movements in Stapled Securityholders’ Funds, Portfolio Statements and Statements of Cash Flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the Distribution Statement of the Stapled Group, and notes to the financial statements, are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the CapitaLand Ascott REIT Group and the Stapled Group as at 31 December 2022 and the financial performance, movements in stapled securityholders’ funds and cash flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the distributable income of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants and the provisions of CapitaLand Ascott REIT’s trust deed between DBS Trustee Limited (the “REIT Trustee”) and the REIT Manager dated 19 January 2006 (as amended) and the stapling deed of CapitaLand Ascott Trust (formerly known as Ascott Residence Trust) between the REIT Trustee, the REIT Manager and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (Trustee-Manager of CapitaLand Ascott Business Trust) dated 9 September 2019 (as amended). At the date of this statement, there are reasonable grounds to believe that the CapitaLand Ascott REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,
CapitaLand Ascott Trust Management Limited
(formerly known as Ascott Residence Trust Management Limited)

Teo Joo Ling, Serena
Director

Singapore
9 March 2023

Report of the Trustee-Manager of CapitaLand Ascott Business Trust

(formerly known as Ascott Business Trust)

The directors of CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.), the trustee-manager of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") (formerly known as Ascott Business Trust) (the "BT Trustee-Manager"), are pleased to present their report to the Stapled Securityholders of CapitaLand Ascott Trust ("CLAS") (formerly known as Ascott Residence Trust) for the financial year ended 31 December 2022, together with the audited financial statements of CapitaLand Ascott BT and its subsidiaries (the "CapitaLand Ascott BT Group") for the financial year ended 31 December 2022.

DIRECTORS

The directors of the BT Trustee-Manager in office at the date of this report are:

Mr Tan Beng Hai, Bob (Chairman)
Ms Teo Joo Ling, Serena (Chief Executive Officer) (appointed on 1 July 2022)
Mr Sim Juat Quee Michael Gabriel
Mr Chia Kim Huat
Ms Deborah Lee Siew Yin
LG Ong Su Kiat Melvyn
Mr Goh Soon Keat Kevin
Ms Beh Siew Kim

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE STAPLED SECURITIES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the BT Trustee-Manager a party to any arrangement whose object was to enable any or all directors of the BT Trustee-Manager to acquire benefits by means of the acquisition of Stapled Securities, or debentures, of CapitaLand Ascott BT.

Report of the Trustee-Manager of CapitaLand Ascott Business Trust

(formerly known as Ascott Business Trust)

DIRECTORS' INTERESTS IN STAPLED SECURITIES OR DEBENTURES OF CAPITALAND ASCOTT BT

According to the register kept by the BT Trustee-Manager for the purpose of Section 76 of the Business Trusts Act 2004 (the "BTA"), particulars of interests of Directors who held office at the end of the financial period (including those held by their spouses and infant children) in Stapled Securities of CLAS are as follows:

Name of director in which interests are held	Direct and deemed holdings registered in the name of the director, spouse or infant children			
	Direct At beginning of the year / date of appointment	Deemed At beginning of the year / date of appointment	Direct At end of the year	Deemed At end of the year
Mr Tan Beng Hai, Bob	115,381	–	136,042	–
Mr Sim Juat Quee Michael Gabriel	72,683	–	90,649	–
Mr Chia Kim Huat	100,845	–	115,322	–
Ms Deborah Lee Siew Yin	7,290	–	21,767	–
Mr Goh Soon Keat Kevin	171,276	–	171,276	–
Ms Beh Siew Kim	798,499	–	1,358,069	–
Contingent award of Performance Stapled Security¹ to be delivered after 2021				
Ms Beh Siew Kim (158,051 PSSP)	0 to 316,102 ²	–	–	–
316,102 Stapled Securities were released in 2022				
Contingent award of Performance Stapled Security¹ to be delivered after 2022				
Ms Beh Siew Kim (134,448 PSSP)	0 to 268,896 ²	–	0 to 268,896 ²	–
Contingent award of Performance Stapled Security¹ to be delivered after 2023				
Ms Beh Siew Kim (185,391 PSSP)	0 to 370,782 ²	–	0 to 370,782 ²	–
Contingent award of Performance Stapled Security¹ to be delivered after 2024				
Ms Beh Siew Kim (221,827 PSSP)	–	–	0 to 443,654 ²	–
Ms Teo Joo Ling, Serena (110,913 PSSP)	–	–	0 to 221,826 ²	–
Unvested Restricted Stapled Security¹ to be delivered after 2020				
Ms Beh Siew Kim	71,078 ^{4,5}	–	35,539 ^{3,5}	–
Unvested Restricted Stapled Security¹ to be delivered after 2021				
Ms Beh Siew Kim	0 to 278,086 ^{2,5}	–	185,391 ^{4,5}	–
Contingent award of Restricted Stapled Security¹ to be delivered after 2022				
Ms Beh Siew Kim	–	–	0 to 332,740 ^{2,5}	–
Ms Teo Joo Ling, Serena	–	–	0 to 166,369 ^{2,5}	–

There were no changes in the abovementioned interests of CapitaLand Ascott BT between 31 December 2022 and 21 January 2023.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in stapled securities, options, warrants or debentures of CLAS, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Notes:

- This refers to the number of Stapled Securities which are the subject of contingent awards granted but not released under the Managers' Performance Stapled Security Plan ("PSSP") and the Restricted Stapled Security Plan ("RSSP"). 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 and from 0% to a maximum of 150% of the baseline award under the RSSP.
- The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the performance periods for the PSSP and RSSP.
- Being the unvested remaining one-third of RSSP 2020 award.
- Being the unvested two-thirds of RSSP 2021 award.
- 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.

Report of the Trustee-Manager of CapitaLand Ascott Business Trust

(formerly known as Ascott Business Trust)

DIRECTORS' CONTRACTUAL BENEFITS

During the financial year, no director of the BT Trustee-Manager has received or became entitled to receive a benefit in CapitaLand Ascott BT by reason of a contract made by the BT Trustee-Manager, on behalf of CapitaLand Ascott BT or a related corporation with the director, or with a firm of which such director is a member or with a company in which such director has a substantial financial interest, except that the directors served as directors or employees of related corporations and received remuneration in that capacity from related corporations.

STAPLED SECURITY OPTIONS

During the financial year, there were:

- (i) no options granted by the BT Trustee-Manager to any person to take up unissued Stapled Securities in CLAS; and
- (ii) no Stapled Securities issued by virtue of any exercise of option to take up unissued Stapled Securities of CLAS.

There were no unissued Stapled Securities in CLAS under option as at the end of the financial year.

AUDIT COMMITTEE

The members of the audit committee of the BT Trustee-Manager (the "Audit Committee") during the year and at the date of this statement are:

- Mr Sim Juat Quee Michael Gabriel (Chairman), Independent, Non-Executive Director;
- Mr Chia Kim Huat, Independent, Non-Executive Director;
- Ms Deborah Lee Siew Yin, Independent, Non-Executive Director; and
- LG Ong Su Kiat Melvyn, Independent, Non-Executive Director.

The Audit Committee performs the functions specified in Section 201B of the Companies Act 1967, Regulation 13(6) of the Business Trusts Regulations 2005 ("BTR"), the Listing Manual by Singapore Exchange Securities Trading Limited (the "SGX Listing Manual") and the Code of Corporate Governance 2018.

The Audit Committee has held five meetings since the last report of the BT Trustee-Manager. In performing its functions, the Audit Committee met with CapitaLand Ascott BT's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of CapitaLand Ascott BT's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by CapitaLand Ascott BT's officers to the internal and external auditors;
- semi-annual financial information and annual financial statements of CapitaLand Ascott BT prior to their submission to the directors of the BT Trustee-Manager for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors of the BT Trustee-Manager that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of CapitaLand Ascott BT.

In appointing our auditors for the CapitaLand Ascott BT Group, we have complied with Rules 712 and 715 of the SGX Listing Manual.

INDEPENDENT AUDITOR

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Statement by the BT Trustee-Manager

In the opinion of the Directors,

- (a) the consolidated financial statements of the CapitaLand Ascott BT Group as set out on pages 152 to 316 are drawn up so as to give a true and fair view of the financial position of the CapitaLand Ascott BT Group as at 31 December 2022, and the financial performance, changes in stapled securityholders' funds and cash flows of the CapitaLand Ascott BT Group, for the year ended on that date in accordance with the provisions of the Business Trusts Act 2004 (the "BTA"), and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the BT Trustee-Manager will be able to fulfil, out of the trust property of CapitaLand Ascott BT, the liabilities of CapitaLand Ascott BT as and when they fall due.

In accordance with Section 86(2) of the BTA, the directors of the BT Trustee-Manager further certify that:

- the fees or charges paid or payable out of the property of the CapitaLand Ascott BT Group to the BT Trustee-Manager are in accordance with the CapitaLand Ascott BT trust deed dated 9 September 2019 (as amended);
- interested person transactions are not detrimental to the interests of all the Stapled Securityholders as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors is not aware of any violation of duties of the BT Trustee-Manager which would have a materially adverse effect on the business of the CapitaLand Ascott BT Group or the interests of the Stapled Securityholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the BT Trustee-Manager,
CapitaLand Ascott Business Trust Management Pte. Ltd.
(formerly known as Ascott Business Trust Management Pte. Ltd.)

Tan Beng Hai, Bob
Director

Teo Joo Ling, Serena
Director

Singapore
9 March 2023

Statement by the Chief Executive Officer of the BT Trustee-Manager

In accordance with Section 86 of the Business Trusts Act 2004, I certify that I am not aware of any violation of duties of the BT Trustee-Manager which would have a materially adverse effect on the business of the CapitaLand Ascott BT Group or on the interests of all the Stapled Securityholders of CapitaLand Ascott BT as a whole.

Teo Joo Ling, Serena
Chief Executive Officer

Singapore
9 March 2023

Independent Auditors' Report

Stapled Securityholders of CapitaLand Ascott Trust
(formerly known as Ascott Residence Trust)
(Constituted under the Stapling Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited:

- (i) the consolidated financial statements of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") (formerly known as Ascott Real Estate Investment Trust) and its subsidiaries (the "CapitaLand Ascott REIT Group"), which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2022, the Statement of Total Return, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott REIT Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies;
- (ii) the consolidated financial statements of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") (formerly known as Ascott Business Trust) and its subsidiaries (the "CapitaLand Ascott BT Group"), which comprise the Statement of Financial Position as at 31 December 2022, the Statement of Total Return and Statement of Comprehensive Income, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott BT Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- (iii) the consolidated financial statements of CapitaLand Ascott Trust (formerly known as Ascott Residence Trust), which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2022, the Statement of Total Return, Distribution Statement, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of CapitaLand Ascott Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies;

as set out on pages 152 to 316. CapitaLand Ascott Trust, which comprises the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group, is hereinafter referred to as the "Stapled Group".

In our opinion:

- (a) the accompanying consolidated financial statements of the CapitaLand Ascott REIT Group and the Stapled Group present fairly, in all material respects, the financial positions and portfolio holdings of the CapitaLand Ascott REIT Group and the Stapled Group as at 31 December 2022, the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the distributable income of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("ISCA");
- (b) the accompanying consolidated financial statements of the CapitaLand Ascott BT Group are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 (the "BTA"), and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the state of affairs of the CapitaLand Ascott BT Group as at 31 December 2022 and the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott BT Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditors' Report

Stapled Securityholders of CapitaLand Ascott Trust
(formerly known as Ascott Residence Trust)
(Constituted under the Stapling Deed in the Republic of Singapore)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties, land and buildings and investment properties under development

Note 4 – Investment properties

Note 5 – Property, plant and equipment

Note 6 – Investment properties under development

Risk:

The Stapled Group has portfolios of investment properties, land and buildings, and investment properties under development which are stated at their fair values as at 31 December 2022 of \$6,103.6 million, \$875.6 million and \$385.7 million (2021: \$6,297.9 million, \$542.0 million and \$302.9 million) respectively.

The fair values of the investment properties, land and buildings and investment properties under development are appraised by external property valuers. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, particularly those relating to discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs.

Our response:

We assessed the Stapled Group's process relating to the selection of the external property valuers, the determination of the scope of work of the external property valuers, and the review and acceptance of the valuation reports issued by the external property valuers.

We evaluated the qualification and competence of the external property valuers. We also read the terms of engagement of the external property valuers with the Stapled Group to ascertain whether there are matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies adopted against those applied by other valuers for similar property types. We evaluated the key assumptions and inputs used in the valuations, which included discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the external property valuers.

We considered the appropriateness of disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

The Stapled Group has a structured process in appointing and instructing external property valuers, and in reviewing and accepting their valuations. The external property valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work. The valuation methodologies used by the external property valuers were in line with generally accepted market practices. The key assumptions and inputs used in the valuations, including the projected cash flows, discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs were supported by the evidence available and are within the range of industry data. Where the assumptions were outside the expected range, the additional factors considered by the external property valuers were consistent with other corroborative evidence.

We also found the related disclosures in the financial statements to be appropriate.

Independent Auditors' Report

Stapled Securityholders of CapitaLand Ascott Trust
(formerly known as Ascott Residence Trust)
(Constituted under the Stapling Deed in the Republic of Singapore)

Other information

CapitaLand Ascott Trust Management Limited (formerly known as Ascott Residence Trust Management Limited), the Manager of CapitaLand Ascott REIT (the "REIT Manager") and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.), the Trustee-Manager of CapitaLand Ascott BT (the "BT Trustee-Manager") (collectively, the "Managers"), are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the REIT Manager for the financial statements

The REIT Manager is responsible for the preparation and fair presentation of the financial statements of the CapitaLand Ascott REIT Group and the Stapled Group in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal controls as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing the ability of the CapitaLand Ascott REIT Group and the Stapled Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate the CapitaLand Ascott REIT Group and the Stapled Group or to cease operations of the CapitaLand Ascott REIT Group and the Stapled Group, or has no realistic alternative but to do so.

The REIT Manager's responsibilities include overseeing the financial reporting process of the CapitaLand Ascott REIT Group and the Stapled Group.

Responsibilities of the BT Trustee-Manager for the financial statements

The BT Trustee-Manager is responsible for the preparation of financial statements of the CapitaLand Ascott BT Group that gives a true and fair view in accordance with the provisions of the BTA and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the BT Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

In preparing the financial statements, the BT Trustee-Manager is responsible for assessing the ability of the CapitaLand Ascott BT Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the BT Trustee-Manager either intends to terminate the CapitaLand Ascott BT Group or to cease the operations of the CapitaLand Ascott BT Group, or has no realistic alternative but to do so.

The BT Trustee-Manager's responsibilities include overseeing the CapitaLand Ascott BT Group's financial reporting process.

Independent Auditors' Report

Stapled Securityholders of CapitaLand Ascott Trust
(formerly known as Ascott Residence Trust)
(Constituted under the Stapling Deed in the Republic of Singapore)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managers.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Managers and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Managers with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Managers, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

Stapled Securityholders of CapitaLand Ascott Trust
(formerly known as Ascott Residence Trust)
(Constituted under the Stapling Deed in the Republic of Singapore)

Report on other legal and regulatory requirement

In our opinion, the accounting and other records required by the BTA to be kept by the BT Trustee-Manager on behalf of CapitaLand Ascott BT have been properly kept in accordance with the provisions of the BTA.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

9 March 2023

Statements of Financial Position

As at 31 December 2022

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current assets							
Investment properties	4	6,075,974	5,882,709	447,974	515,117	6,103,633	6,297,854
Property, plant and equipment	5	35,562	37,189	570,389	587,578	944,878	624,767
Investment properties under development	6	385,707	302,863	–	–	385,707	302,863
Investment securities	7	2,416	2,163	–	–	–	–
Associate	11	3,035	3,013	–	–	3,035	3,013
Joint venture	12	–	13,800	–	–	–	13,800
Financial derivative assets	13	69,942	18,814	–	1,097	69,942	19,911
Deferred tax assets	14	10,738	3,171	4,137	4,405	14,875	7,576
		6,583,374	6,263,722	1,022,500	1,108,197	7,522,070	7,269,784
Current assets							
Inventories		20	85	275	248	295	334
Trade and other receivables	15	257,341	183,038	15,804	10,520	112,187	104,429
Assets held for sale	16	1,020	1,519	–	–	1,020	1,519
Financial derivative assets	13	21,463	536	3,024	10,312	24,487	10,848
Cash and cash equivalents	17	299,251	301,163	64,383	45,169	363,634	346,332
		579,095	486,341	83,486	66,249	501,623	463,462
Total assets		7,162,469	6,750,063	1,105,986	1,174,446	8,023,693	7,733,246
Non-current liabilities							
Financial liabilities	18	2,389,473	1,733,950	83,407	230,789	2,472,880	1,964,739
Financial derivative liabilities	13	6,939	1,100	–	–	6,939	1,100
Trade and other payables	19	32	–	8,624	9,618	8,656	9,618
Deferred income	20	–	–	876	1,128	876	1,128
Deferred tax liabilities	14	121,425	111,455	39,458	38,330	160,883	149,785
Lease liabilities	21	257,368	267,238	76,203	94,448	257,368	267,238
		2,775,237	2,113,743	208,568	374,313	2,907,602	2,393,608
Current liabilities							
Financial liabilities	18	226,244	645,764	175,462	118,421	401,706	764,185
Financial derivative liabilities	13	5	728	810	–	815	728
Trade and other payables	19	212,432	135,691	192,769	120,000	244,243	166,562
Deferred income	20	–	–	135	969	135	969
Current tax liabilities		11,593	28,932	3,158	1,902	14,751	30,834
Lease liabilities	21	9,646	8,641	5,185	5,524	9,646	8,641
		459,920	819,756	377,519	246,816	671,296	971,919
Total liabilities		3,235,157	2,933,499	586,087	621,129	3,578,898	3,365,527
Net assets		3,927,312	3,816,564	519,899	553,317	4,444,795	4,367,719
Represented by:							
Stapled Securityholders' funds	22	3,449,568	3,341,450	515,868	549,409	3,965,436	3,890,860
Perpetual securities holders	23	396,298	396,298	–	–	396,298	396,298
Non-controlling interests	10	81,446	78,816	4,031	3,908	83,061	80,561
		3,927,312	3,816,564	519,899	553,317	4,444,795	4,367,719
Stapled Securities in issue ('000)	23	3,445,625	3,276,547	3,445,625	3,276,547	3,445,625	3,276,547
Net asset value per Stapled Security (\$)		1.00	1.02	0.15	0.17	1.15	1.19

The accompanying notes form an integral part of these financial statements.

Statements of Total Return

Year ended 31 December 2022

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Gross revenue	24	486,003	301,973	149,793	106,818	621,242	394,412
Direct expenses	25	(245,557)	(156,867)	(94,891)	(64,255)	(338,424)	(221,122)
Gross profit		240,446	145,106	54,902	42,563	282,818	173,290
Depreciation of buildings, plant and machinery		-	-	(19,317)	(19,015)	(20,496)	(19,015)
Finance income	26	1,176	2,920	338	199	1,468	3,070
Other income		1,111	14,276	217	2,434	1,308	16,676
Finance costs	26	(61,985)	(49,168)	(14,616)	(15,981)	(69,012)	(55,977)
Managers' management fees	27	(25,866)	(20,534)	(4,553)	(4,186)	(30,419)	(24,720)
Trustee's fee		(705)	(729)	(162)	(163)	(867)	(892)
Professional fees	28	(4,418)	(3,632)	(707)	(640)	(5,125)	(4,272)
Audit fees		(3,461)	(2,331)	(449)	(470)	(3,910)	(2,801)
Foreign exchange loss		(12,985)	(2,439)	(11,409)	(871)	(24,394)	(3,310)
Other operating expenses		(3,183)	(6,797)	(659)	(561)	(3,843)	(7,359)
Net income before share of results of associate and joint venture		130,130	76,672	3,585	3,309	127,528	74,690
Share of results (net of tax) of:							
- associate	11	(27)	(28)	-	-	(27)	(28)
- joint venture		3,918	(211)	-	-	3,918	(211)
Net income	29	134,021	76,433	3,585	3,309	131,419	74,451
Net change in fair value of investment properties, investment properties under development and assets held for sale		138,850	115,809	(4,534)	4,993	122,353	126,058
Net change in fair value of financial derivatives		597	-	-	-	597	-
Revaluation surplus on land and buildings		-	-	5,393	21,201	5,393	21,201
Net change in fair value of investment securities		253	91	-	-	-	-
Profit from divestments	30	99	153,226	-	-	99	153,226
Assets written off	4	(78)	(4)	-	-	(78)	(4)
Total return for the year before income tax		273,742	345,555	4,444	29,503	259,783	374,932
Income tax expense	31	(29,168)	(56,995)	(4,395)	(7,520)	(33,563)	(64,515)
Total return for the year		244,574	288,560	49	21,983	226,220	310,417
Total return attributable to:							
Stapled Securityholders and perpetual securities holders		241,731	287,488	(3)	21,913	223,305	309,317
Non-controlling interests	10	2,843	1,072	52	70	2,915	1,100
		244,574	288,560	49	21,983	226,220	310,417
Earnings per Stapled Security (cents)	32						
Basic						6.28	9.36
Diluted						6.25	9.32

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income of the CapitalLand Ascott BT Group

Year ended 31 December 2022

	2022 \$'000	2021 \$'000
Profit for the year	49	21,983
Items that will not be reclassified subsequently to profit or loss:		
Revaluation surplus on land and buildings	<u>49,727</u>	<u>3,716</u>
	49,727	3,716
Items that may be reclassified subsequently to profit or loss:		
Effective portion of change in fair values of cash flow hedges	3,272	1,495
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	(1,292)	409
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	<u>(58,674)</u>	<u>(13,045)</u>
	(56,694)	(11,141)
Total comprehensive income for the year	<u>(6,918)</u>	<u>14,558</u>

The accompanying notes form an integral part of these financial statements.

Distribution Statements

Year ended 31 December 2022

	Note	Stapled Group	
		2022 \$'000	2021 \$'000
Amount to be distributed to Stapled Securityholders at beginning of the year		56,515	61,670
Total return attributable to Stapled Securityholders and perpetual securities holders		223,305	309,317
Less: Total return attributable to perpetual securities holders		(13,495)	(13,495)
Distribution adjustments	A	(19,976)	(203,499)
Income available for distribution to Stapled Securityholders for the year		189,834	92,323
Partial distribution of divestment gain		–	45,000
Distribution to Stapled Securityholders		246,349	198,993
Distributions to Stapled Securityholders during the year			
– Distribution of 1.986 cents per Stapled Security for the period from 1 July 2020 to 31 December 2020		–	(61,726)
– Distribution of 2.045 cents per Stapled Security for the period from 1 January 2021 to 30 June 2021		–	(63,746)
– Distribution of 0.545 cents per Stapled Security for the period from 1 July 2021 to 19 September 2021		–	(17,006)
– Distribution of 1.726 cents per Stapled Security for the period from 20 September 2021 to 31 December 2021		(56,554)	–
– Distribution of 2.332 cents per Stapled Security for the period from 1 January 2022 to 30 June 2022		(76,648)	–
– Distribution of 1.078 cents per Stapled Security for the period from 1 July 2022 to 23 August 2022		(35,468)	–
		(168,670)	(142,478)
Amount to be distributed to Stapled Securityholders at end of the year		77,679	56,515
Note A – Distribution adjustments			
Distribution adjustment items:			
– Net change in fair value of investment properties, investment properties under development and assets held for sale		(122,353)	(126,058)
– Revaluation surplus on land and buildings		(5,393)	(21,201)
– Net change in fair value of financial derivatives		(597)	–
– Profit from divestments		(99)	(153,226)
– Assets written off		78	4
– Depreciation expense		35,773	32,644
– Managers' management fees paid/payable in Stapled Securities		21,757	17,030
– REIT Trustee's fee		175	157
– Foreign exchange loss – unrealised		53,821	14,609
– Interest expense on lease liabilities		10,379	10,519
– Lease payments for right-of-use assets		(18,276)	(17,454)
– Deferred tax expense		10,845	19,327
– Tax expense relating to the divestment		14	22,494
– Non-controlling interests' share of adjustments		(2,215)	(2,646)
– Share of results (net of tax) of joint venture		(3,918)	211
– Other adjustments		33	91
Net effect of distribution adjustments		(19,976)	(203,499)

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitalLand Ascott REIT Group									
At 1 January 2021	2,156,084	1,046,186	(183,094)	3,348	(9,356)	3,013,168	396,298	76,661	3,486,127
Total return for the year	-	287,488	-	-	-	287,488	-	1,072	288,560
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	(13,495)	13,495	-	-
Other comprehensive income									
Effective portion of change in fair values of cash flow hedges	-	-	-	-	5,967	5,967	-	-	5,967
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	3,347	3,347	-	-	3,347
Realisation of reserves upon divestment	-	1,389	2,046	(1,389)	-	2,046	-	-	2,046
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	6,856	-	-	6,856	-	1,630	8,486
Total other comprehensive income	-	1,389	8,902	(1,389)	9,314	18,216	-	1,630	19,846
Transactions with owners, recognised directly in equity Contributions by and distributions to owners									
REIT Manager's management fee payable in Stapled Securities	14,907	-	-	-	-	14,907	-	-	14,907
Issue of Stapled Securities under private placement	150,000	-	-	-	-	150,000	-	-	150,000
Issue expenses relating to private placement	(1,950)	-	-	-	-	(1,950)	-	-	(1,950)
Distribution to Stapled Securityholders	(5,292)	(115,913)	-	-	-	(121,205)	-	-	(121,205)
Distribution to perpetual securities holders	-	-	-	-	-	-	(13,495)	-	(13,495)
Distribution to non-controlling interests	-	-	-	-	-	-	-	(868)	(868)
Total contributions by and distributions to owners	157,665	(115,913)	-	-	-	41,752	(13,495)	(868)	27,389

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitaLand Ascott REIT Group									
Changes in ownership interests in subsidiaries									
Change in ownership interests in subsidiaries with a change in control	-	-	(4,123)	(1,235)	-	(5,358)	-	-	(5,358)
Change in ownership interests in subsidiaries with no change in control	-	(321)	-	-	-	(321)	-	321	-
Total changes in ownership interests in subsidiaries	-	(321)	(4,123)	(1,235)	-	(5,679)	-	321	(5,358)
At 31 December 2021	2,313,749	1,205,334	(178,315)	724	(42)	3,341,450	396,298	78,816	3,816,564

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitaLand Ascott REIT Group									
At 1 January 2022	2,313,749	1,205,334	(178,315)	724	(42)	3,341,450	396,298	78,816	3,816,564
Total return for the year	-	241,731	-	-	-	241,731	-	2,843	244,574
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	(13,495)	13,495	-	-
Other comprehensive income									
Effective portion of change in fair values of cash flow hedges	-	-	-	-	35,101	35,101	-	-	35,101
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	(1,095)	(1,095)	-	-	(1,095)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(202,347)	-	-	(202,347)	-	(4,387)	(206,734)
Total other comprehensive income	-	-	(202,347)	-	34,006	(168,341)	-	(4,387)	(172,728)
Transactions with owners, recognised directly in equity Contributions by and distributions to owners									
REIT Manager's management fee payable in Stapled Securities	19,458	-	-	-	-	19,458	-	-	19,458
Issue of Stapled Securities under private placement	170,000	-	-	-	-	170,000	-	-	170,000
Issue expenses relating to private placement	(2,269)	-	-	-	-	(2,269)	-	-	(2,269)
Distribution to Stapled Securityholders	(72,169)	(67,786)	-	-	-	(139,955)	-	-	(139,955)
Distribution to perpetual securities holders	-	-	-	-	-	-	(13,495)	-	(13,495)
Distribution to non-controlling interests	-	-	-	-	-	-	-	(1,888)	(1,888)
Total contributions by and distributions to owners	115,020	(67,786)	-	-	-	47,234	(13,495)	(1,888)	31,851

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders							
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000
CapitaLand Ascott REIT Group								
<i>Changes in ownership interests in subsidiaries</i>								
Acquisition of non-controlling interests	-	-	-	-	-	-	-	5,752
Change in ownership interests in subsidiaries with no change in control	-	(310)	-	-	-	(310)	-	310
Share of reserves of joint venture	-	-	1,299	-	-	1,299	-	-
Total changes in ownership interests in subsidiaries	-	(310)	1,299	-	-	989	-	6,062
At 31 December 2022	2,428,769	1,365,474	(379,363)	724	33,964	3,449,568	396,298	81,446
								3,927,312

At 31 December 2022

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders						
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Non-controlling interests \$'000
CapitaLand Ascott BT Group							
At 1 January 2022	648,325	(109,953)	5,888	1,470	3,679	549,409	3,908
Total comprehensive income for the year							
(Loss)/Profit for the year	-	(3)	-	-	-	(3)	52
Effective portion of change in fair values of cash flow hedges	-	-	-	3,250	-	3,250	22
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	(1,292)	-	(1,292)	-
Revaluation surplus on land and buildings	-	-	-	-	49,230	49,230	497
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(58,287)	-	-	(58,287)	(387)
Total comprehensive income	-	(3)	(58,287)	1,958	49,230	(7,102)	184
Transactions with owners, recognised directly in equity Contributions by and distributions to owners							
BT Trustee-Manager's management fee payable in Stapled Securities	2,276	-	-	-	-	2,276	-
Distribution to Stapled Securityholders	(4,309)	(24,406)	-	-	-	(28,715)	-
Distribution to non-controlling interests	-	-	-	-	-	-	(61)
Total contributions by and distributions to owners	(2,033)	(24,406)	-	-	-	(26,439)	(61)
At 31 December 2022	646,292	(134,362)	(52,399)	3,428	52,909	515,868	4,031
							519,899

Total comprehensive income for the year
(Loss)/Profit for the year
Effective portion of change in fair values of cash flow hedges
Net change in fair value of cash flow hedge reclassified to
Statement of Total Return
Revaluation surplus on land and buildings
Exchange differences arising from translation of foreign
operations and foreign currency loans forming part of
net investment in foreign operations

Transactions with owners, recognised directly in equity Contributions by and distributions to owners
BT Trustee-Manager's management fee payable in
Stapled Securities
Distribution to Stapled Securityholders
Distribution to non-controlling interests
Total contributions by and distributions to owners

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders							
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Non-controlling interests \$'000
Stapled Group								
At 1 January 2021	2,823,886	913,877	(164,086)	3,348	(9,774)	-	3,567,251	78,521
Total return for the year	-	309,317	-	-	-	-	309,317	1,100
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	-	(13,495)	-
Other comprehensive income								
Effective portion of change in fair values of cash flow hedges	-	-	-	-	7,462	-	7,462	-
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	3,756	-	3,756	-
Realisation of reserves upon divestment	-	1,389	2,046	(1,389)	-	-	2,046	-
Revaluation surplus on land and buildings	-	-	-	-	-	3,716	3,716	-
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(6,087)	-	-	-	(6,087)	1,530
Total other comprehensive income	-	1,389	(4,041)	(1,389)	11,218	3,716	10,893	1,530
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
REIT Manager's management fee payable in Stapled Securities	14,907	-	-	-	-	-	14,907	-
BT Trustee-Manager's management fee payable in Stapled Securities	2,094	-	-	-	-	-	2,094	-
Issue of Stapled Securities under private placement	150,000	-	-	-	-	-	150,000	-
Issue expenses relating to private placement	(1,950)	-	-	-	-	-	(1,950)	-
Distribution to Stapled Securityholders	(26,863)	(115,615)	-	-	-	-	(142,478)	-
Distribution to perpetual securities holders	-	-	-	-	-	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	(911)
Total contributions by and distributions to owners	138,188	(115,615)	-	-	-	-	22,573	(911)
							(13,495)	8,167

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders							
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Perpetual securities \$'000	Non-controlling interests \$'000
Stapled Group								
Changes in ownership interests in subsidiaries								
Change in ownership interests in subsidiaries with a change in control	-	-	(4,123)	(1,235)	-	-	-	-
Change in ownership interests in subsidiaries with no change in control	-	(321)	-	-	-	-	-	321
Total changes in ownership interests in subsidiaries	-	(321)	(4,123)	(1,235)	-	-	-	321
At 31 December 2021	2,962,074	1,095,152	(172,250)	724	1,444	3,716	3,890,860	80,561
							396,298	4,367,719

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders							
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Non-controlling interests \$'000
Stapled Group								
At 1 January 2022	2,962,074	1,095,152	(172,250)	724	1,444	3,716	3,890,860	80,561
Total return for the year	-	223,305	-	-	-	-	223,305	2,915
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	-	(13,495)	-
Other comprehensive income								
Effective portion of change in fair values of cash flow hedges	-	-	-	-	38,373	-	38,373	-
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	(2,387)	-	(2,387)	-
Revaluation surplus on land and buildings	-	-	-	-	-	67,858	67,858	-
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(260,862)	-	-	-	(260,862)	(4,548)
Total other comprehensive income	-	-	(260,862)	-	35,986	67,858	(157,018)	(4,548)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
REIT Manager's management fee payable in Stapled Securities	19,458	-	-	-	-	-	19,458	-
BT Trustee-Manager's management fee payable in Stapled Securities	2,276	-	-	-	-	-	2,276	-
Issue of Stapled Securities under private placement	170,000	-	-	-	-	-	170,000	-
Issue expenses relating to private placement	(2,269)	-	-	-	-	-	(2,269)	-
Distribution to Stapled Securityholders	(76,478)	(92,192)	-	-	-	-	(168,670)	-
Distribution to perpetual securities holders	-	-	-	-	-	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	(1,929)
Total contributions by and distributions to owners	112,987	(92,192)	-	-	-	-	20,795	(13,495)
								5,371

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Stapled Securityholders' Funds

Year ended 31 December 2022

	Attributable to Stapled Securityholders									
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
Stapled Group										
<i>Changes in ownership interests in subsidiaries</i>										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	5,752	5,752
Change in ownership interests in subsidiaries with no change in control	-	(310)	-	-	-	-	(310)	-	310	-
Share of reserves of joint venture	-	-	1,299	-	-	-	1,299	-	-	1,299
Total changes in ownership interests in subsidiaries	-	(310)	1,299	-	-	-	989	-	6,062	7,051
At 31 December 2022	3,075,061	1,212,460	(431,813)	724	37,430	71,574	3,965,436	396,298	83,061	4,444,795

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

By Geography

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds				
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group		
					2022	2021	2022	2021	2022	2021	2022	2021	
					\$'000	\$'000	\$'000	\$'000	%	%	%	%	
Investment properties and investment properties under development													
Australia													
Citadines Connect Sydney Airport	113-121 Baxter Road, Mascot, New South Wales, NSW 2020	Freehold	Not applicable	Not applicable	Not applicable	54,476	61,958	54,476	61,958	1.4	1.6	1.6	1.9
Citadines on Bourke Melbourne	131-135 Bourke Street, Melbourne, Victoria 3000	Freehold	Not applicable	Not applicable	Not applicable	152,050	159,455	152,050	159,455	3.8	4.1	4.4	4.8
Citadines St Georges Terrace Perth	185 St Georges Terrace, Perth WA 6000	Freehold	Not applicable	Not applicable	Not applicable	16,350	18,005	16,350	18,005	0.4	0.5	0.5	0.5
Quest Campbelltown	1 Rennie Road, Woodbine, NSW 2560	Freehold	Not applicable	Not applicable	Not applicable	21,107	22,274	21,107	22,274	0.5	0.6	0.6	0.7
Quest Cannon Hill ⁽¹⁾	930 Wynnnum Road, Cannon Hill, Brisbane, Queensland 4170	Freehold	Not applicable	Not applicable	Not applicable	28,348	-	28,348	-	0.7	-	0.8	-
Quest Mascot	108-114 Robey Road, Mascot, NSW 2020	Freehold	Not applicable	Not applicable	Not applicable	23,347	25,675	23,347	25,675	0.6	0.7	0.7	0.8
Quest Macquarie Park	71 Epping Road, Macquarie Park, NSW 2113	Freehold	Not applicable	Not applicable	Not applicable	40,541	43,453	40,541	43,453	1.0	1.1	1.2	1.3
Quest Sydney Olympic Park	6 Edwin Flack Avenue, Sydney Olympic Park, NSW 2127	Leasehold	99 years	89 years	90 years	40,030	45,734	40,030	45,734	1.0	1.2	1.2	1.4
balance carried forward						376,249	376,554	376,249	376,554	9.4	9.8	11.0	11.4

(1) On 30 November 2022, the CapitalLand Ascott REIT Group acquired Quest Cannon Hill from Balsamine (Brisbane) Pty Ltd, a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					376,249	376,554	376,249	376,554	9.4	9.8	11.0	11.4
Belgium												
Citadines Saint-Catherine Brussels	51 quai au Bois à Brûler, 1000 Brussels	Freehold	Not applicable	Not applicable	28,356	32,561	28,356	32,561	0.7	0.8	0.8	1.0
Citadines Toison d'Or Brussels	61-63 avenue de la Toison d'Or, 1060 Brussels	Freehold	Not applicable	Not applicable	24,904	28,253	24,904	28,253	0.6	0.7	0.7	0.8
China												
Citadines Xinghai Suzhou	Block 27, Jiacheng Gardens, 58 Xinghai Street, Suzhou Industrial Park, Suzhou 215021	Leasehold	70 years	44 years	25,499	28,998	25,499	28,998	0.6	0.7	0.7	0.9
Citadines Zhuanhou Wuhan	159 Dongfeng Avenue (Xianglong Business Centre Zone C), Wuhan Economic and Technological Development Zone, Wuhan 430056	Leasehold	40 years	21 years	35,494	40,776	35,494	40,776	1.0	1.0	1.0	1.2
Balance carried forward					490,502	507,142	490,502	507,142	12.3	13.0	14.2	15.3

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2022 \$'000	Stapled Group 2021 \$'000	Ascott REIT Group 2022 \$'000	CapitaLand Ascott REIT Group 2021 \$'000	Stapled Group 2022 %	Stapled Group 2021 %	Ascott REIT Group 2022 %	CapitaLand Ascott REIT Group 2021 %
Balance brought forward					490,502	507,142	490,502	507,142	12.3	13.0	14.2	15.3
China (continued)												
Somerset Grand Central Dalian	No. 128-2 Jinma Road, Dalian Development Area, Dalian 116600	Leasehold	50 years	34 years	35 years	80,520	92,108	80,520	92,108	2.0	2.4	2.8
Somerset Heping Shenyang	80 Taiyuan North Street, Heping District, Shenyang 110000	Leasehold	40 years	24 years	25 years	60,604	69,742	60,604	69,742	1.5	1.8	2.1
Somerset Olympic Tower Property Tianjin	126 Chengdu Road, Heping District, Tianjin 300051	Leasehold	70 years	40 years	41 years	59,635	68,009	59,635	68,009	1.5	1.7	2.0
Balance carried forward					691,261	737,001	691,261	737,001	17.3	18.9	20.0	22.2

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					691,261	737,001	691,261	737,001	17.3	18.9	20.0	22.2
France												
Citadines Antigone Montpellier ⁽²⁾	588 boulevard d'Antigone, 34000 Montpellier	Freehold	Not applicable	Not applicable	12,482	15,230	12,482	15,230	0.3	0.4	0.4	0.5
Citadines Austerlitz Paris ⁽²⁾	27 rue Esquirol, 75013 Paris	Freehold	Not applicable	Not applicable	10,496	11,846	10,496	11,846	0.3	0.3	0.3	0.4
Citadines Castellane Marseille ⁽²⁾	60 rue du Rouet, 13006 Marseille	Freehold	Not applicable	Not applicable	9,787	10,307	9,787	10,307	0.2	0.3	0.3	0.3
Citadines City Centre Lille ⁽²⁾	Avenue Willy Brandt – Euraille, 59777 Lille	Freehold	Not applicable	Not applicable	12,624	13,384	12,624	13,384	0.3	0.3	0.4	0.4
Citadines Croisette Cannes ⁽²⁾	1 rue le Poussin, 06400 Cannes	Freehold	Not applicable	Not applicable	7,376	7,846	7,376	7,846	0.2	0.2	0.2	0.2
Balance carried forward					744,026	795,614	744,026	795,614	18.6	20.4	21.6	24.0

(2) As at 31 December 2022, these 20 (31 December 2021: 20) investment properties are leased to related corporations under master lease arrangements.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
				Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2022	2021	2022	2021	2022	2021	2022	2021
				\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward				744,026	795,614	744,026	795,614	18.6	20.4	21.6	24.0
France (continued)											
Citadines Les Halles Paris ⁽²⁾	4 rue des Innocents, 75001 Paris	Freehold	Not applicable	82,239	90,426	82,239	90,426	2.2	2.3	2.4	2.7
Citadines Maine Montparnasse Paris ⁽²⁾	67 avenue du Maine, 75014 Paris	Freehold	Not applicable	17,163	17,076	17,163	17,076	0.4	0.4	0.5	0.5
Citadines Montmartre Paris ⁽²⁾	16 avenue Rachel, 75018 Paris	Freehold	Not applicable	33,332	37,536	33,332	37,536	0.8	1.0	1.0	1.1
Citadines Place d'Italie Paris ⁽²⁾	18 place d'Italie, 75013 Paris	Freehold	Not applicable	49,360	53,382	49,360	53,382	1.2	1.4	1.4	1.6
Citadines Prado Chanot Marseille ⁽²⁾	9-11 boulevard de Louvain, 13008 Marseille	Freehold	Not applicable	8,964	8,646	8,964	8,646	0.2	0.2	0.3	0.3
Balance carried forward				935,084	1,002,680	935,084	1,002,680	23.4	25.7	27.2	30.2

(2) As at 31 December 2022, these 20 (31 December 2021: 20) investment properties are leased to related corporations under master lease arrangements.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						2022		2021		2022		2021	
				2022	2021	\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward						935,084	1,002,680	935,084	1,002,680	23.4	25.7	27.2	30.2
France (continued)													
Citadines Presqu'île Lyon ⁽²⁾	2 rue Thomassin, 69002 Lyon	Freehold	Not applicable	Not applicable	Not applicable	18,014	20,307	18,014	20,307	0.5	0.5	0.5	0.6
Citadines République Paris ⁽²⁾	75 bis, avenue Parmentier, 75011 Paris	Freehold	Not applicable	Not applicable	Not applicable	21,276	21,999	21,276	21,999	0.5	0.6	0.6	0.7
Citadines Tour Eiffel Paris ⁽²⁾	132 boulevard de Grenelle, 75015 Paris	Freehold	Not applicable	Not applicable	Not applicable	61,218	70,181	61,218	70,181	1.5	1.8	1.8	2.1
Citadines Trocadéro Paris ⁽²⁾	29 bis, rue Saint-Didier, 75116 Paris	Freehold	Not applicable	Not applicable	Not applicable	45,729	50,536	45,729	50,536	1.2	1.3	1.3	1.5
La Clef Louvre Paris ⁽³⁾	8 rue de Richelieu, 75001 Paris	Freehold	Not applicable	Not applicable	Not applicable	44,637	47,074	44,637	47,074	1.1	1.2	1.3	1.4
La Clef Tour Eiffel Paris ⁽²⁾⁽³⁾	83 avenue Kléber, 75016 Paris	Freehold	Not applicable	Not applicable	Not applicable	147,797	-	147,797	-	3.7	-	4.3	-
Balance carried forward						1,273,755	1,212,777	1,273,755	1,212,777	31.9	31.1	37.0	36.5

(2) As at 31 December 2022, these 20 (31 December 2021: 20) investment properties are leased to related corporations under master lease arrangements.

(3) On 30 November 2022, the CapitalLand Ascott REIT Group acquired La Clef Tour Eiffel Paris from Ascott Holdings (Europe) N.V., a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2022	2021	\$'000	\$'000	2022	2021	2022	2021	2022	2021
										%	%	%	%
Balance brought forward						1,273,755	1,212,777	1,273,755	1,212,777	31.9	31.1	37.0	36.5
Germany													
Citadines Arnulfpark Munich ⁽²⁾	Arnulfstrasse 51, 80636 München	Freehold	Not applicable	Not applicable	Not applicable	35,205	36,890	35,205	36,890	0.9	0.9	1.0	1.1
Citadines City Centre Frankfurt ⁽²⁾	Europa-Allee 23, 60327 Frankfurt am Main	Freehold	Not applicable	Not applicable	Not applicable	54,608	61,535	54,608	61,535	1.4	1.6	1.6	1.8
Citadines Kurfürstendamm Berlin ⁽²⁾	Olivaer Platz 1, 10707 Berlin-Wilmersdorf	Freehold	Not applicable	Not applicable	Not applicable	20,170	22,676	20,170	22,676	0.5	0.6	0.6	0.7
Citadines Michel Hamburg ⁽²⁾	Ludwig-Erhard-Straße 7, 20459 Hamburg	Leasehold	99 years	88 years	89 years	43,616	48,613	43,616	48,613	1.1	1.3	1.3	1.5
The Madison Hamburg	Schaarsteinweg 4, 20459 Hamburg	Freehold	Not applicable	Not applicable	Not applicable	70,778	75,688	70,778	75,688	1.8	2.0	2.1	2.3
Indonesia													
Ascott Jakarta ⁽⁴⁾	Jalan Kebon Kacang Raya No. 2, Jakarta 10230	Leasehold	26 years	1 year	2 years	54,570	57,978	54,570	57,978	1.4	1.5	1.6	1.7
Somerset Grand Citra Jakarta ⁽⁴⁾	Jalan Prof Dr Satrio Kav. 1, Jakarta 12940	Leasehold	30 years	2 years	3 years	33,497	35,299	33,497	35,299	0.8	0.9	1.0	1.1
Balance carried forward						1,586,199	1,551,456	1,586,199	1,551,456	39.8	39.9	46.2	46.7

(2) As at 31 December 2022, these 20 (31 December 2021: 20) investment properties are leased to related corporations under master lease arrangements.

(4) The valuations of the Indonesia properties were based on the assumption that the lease will be renewed upon their expiry.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 %	2021 %	2022 %	2021 %
Balance brought forward					1,586,199	1,551,456	1,586,199	1,551,456	39.8	39.9	46.2	46.7
Japan												
Citadines Central Shinjuku	1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021	Freehold	Not applicable	Not applicable	115,320	132,757	115,320	132,757	2.9	3.4	3.3	4.0
Citadines Karasuma-Gojo Kyoto	432 Matsuya-cho, Gojo-dori Karasuma-Higashiru, Shimogyo-ku, Kyoto 600-8105	Freehold	Not applicable	Not applicable	45,029	51,074	45,029	51,074	1.1	1.3	1.3	1.5
Citadines Shinjuku Tokyo	1-28-13 Shinjuku, Shinjuku-ku, Tokyo 1600022	Freehold	Not applicable	Not applicable	86,649	100,287	86,649	100,287	2.2	2.6	2.5	3.0
Hotel WBF Honmachi	4-4-10, Kitakyuhohjimachi, Chuo-ku, Osaka 541-0057	Freehold	Not applicable	Not applicable	31,069	34,394	31,069	34,394	0.8	0.9	0.9	1.0
Hotel WBF Kitasamba East	2-6-8, Awajicho, Chuo-ku, Osaka 541-0047	Freehold	Not applicable	Not applicable	31,886	36,529	31,886	36,529	0.8	0.9	0.9	1.1
Hotel WBF Kitasamba West	3-2-7, Awajicho, Chuo-ku, Osaka 541-0047	Freehold	Not applicable	Not applicable	32,162	36,840	32,162	36,840	0.8	0.9	0.9	1.1
Sotetsu Grand Fresa Tokyo-Bay Ariake	3-6-6 Ariake Koto-ku, Tokyo 135-0063	Freehold	Not applicable	Not applicable	273,896	320,220	273,896	320,220	6.9	8.2	7.9	9.6
Balance carried forward					2,202,210	2,263,557	2,202,210	2,263,557	55.3	58.1	63.9	68.0

The accompanying notes form an integral part of these financial statements.

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As at 31 December 2022

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CapitaLand Ascott Trust

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 %	2021 %	2022 %	2021 %
Balance brought forward					2,202,210	2,263,557	2,202,210	2,263,557	55.3	58.1	63.9	68.0
<i>Japan (continued)</i>												
Actus Hakata V-Tower	3-15-10 Hakata Ekimae, Hakata-ku, Fukuoka	Freehold	Not applicable	Not applicable	41,347	47,999	41,347	47,999	1.0	1.2	1.2	1.4
Alpha Square Kita 15 Jo ⁽⁵⁾	2-5, Kita 15 Jo Higashi 1-chome, Higashi-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	24,324	28,464	24,324	28,464	0.6	0.6	0.7	0.9
Big Palace Kita 14 Jo	4-1-6 Kita 14 Jo Nishi, Kita-ku, Sapporo	Freehold	Not applicable	Not applicable	18,703	21,111	18,703	21,111	0.5	0.5	0.5	0.6
Big Palace Minami 5 Jo ⁽⁶⁾	3-1, Minami 5-jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	25,550	29,650	25,550	29,650	0.6	0.8	0.7	0.9
City Court Kita 1 Jo ⁽⁷⁾	6-3 Kita 1-jo Higashi 1-chome, Chuo-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	26,572	33,327	26,572	33,327	0.7	0.9	0.8	1.0
Eslead College Gate Kindaime ⁽⁸⁾	19-28, 3-chome Kowakae, Higashiosaka-shi, Osaka	Freehold	Not applicable	Not applicable	18,007	-	18,007	-	0.5	-	0.5	-
Eslead Residence Bentencho Grande ⁽⁹⁾	15-44, Benten 5-chome, Minato-ku, Osaka-shi, Osaka	Freehold	Not applicable	Not applicable	20,185	-	20,185	-	0.5	-	0.6	-
Balance carried forward					2,376,898	2,424,108	2,376,898	2,424,108	59.7	62.1	68.9	72.8

⁽⁵⁾ On 25 June 2021, the CapitaLand Ascott REIT Group acquired Alpha Square Kita 15 Jo from Alpha Court Co., Ltd., an unrelated third party. The valuation was based on discounted cash flow method.

⁽⁶⁾ On 17 June 2021, the CapitaLand Ascott REIT Group acquired Big Palace Minami 5 Jo from Big Co. Ltd, an unrelated third party. The valuation was based on discounted cash flow method.

⁽⁷⁾ On 30 June 2021, the CapitaLand Ascott REIT Group acquired City Court Kita 1 Jo from G Nine Japan Ten TMK, an unrelated third party. The valuation was based on discounted cash flow method.

⁽⁸⁾ On 18 March 2022, the CapitaLand Ascott REIT Group acquired Eslead College Gate Kindaime from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.

⁽⁹⁾ On 16 December 2022, the CapitaLand Ascott REIT Group acquired Eslead Residence Bentencho Grande from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 %	2021 %	2022 %	2021 %
Balance brought forward					2,376,898	2,424,108	2,376,898	2,424,108	59.7	62.1	68.9	72.8
<i>Japan (continued)</i>												
Eslead Residence Umeda Grande ⁽¹⁰⁾	9-3, Nakatsu 4-chome, Kita-ku, Osaka	Freehold	Not applicable	Not applicable	–	–	13,296	–	0.4	–	0.4	–
Gravis Court Kakomachi	13-10, Kakomachi, Naka-ku, Hiroshima	Freehold	Not applicable	Not applicable	6,449	7,424	6,449	7,424	0.2	0.2	0.2	0.2
Gravis Court Kokutajji	2-1-9, Kokutajjimachi, Naka-ku, Hiroshima	Freehold	Not applicable	Not applicable	4,926	5,669	4,926	5,669	0.1	0.1	0.1	0.2
Gravis Court Nishihaekimae	8-38-10, Nishihara, Asaminami-ku, Hiroshima	Freehold	Not applicable	Not applicable	4,098	4,708	4,098	4,708	0.1	0.1	0.1	0.1
House Saison Shijo-Dori ⁽¹¹⁾	47-2, Kasaboko-cho, Shimogyo-ku, Kyoto city, Kyoto	Freehold	Not applicable	Not applicable	29,945	–	29,945	–	0.8	–	0.9	–
Infini Garden	3-2-2, 3-4, 5 Kashiiteriha, Higashi-ku, Fukuoka	Freehold	Not applicable	Not applicable	78,638	87,498	78,638	87,498	2.0	2.2	2.3	2.6
Marunouchi Central Heights ⁽¹¹⁾	3-23-6 Marunouchi, Naka-ku, Nagoya city, Aichi	Freehold	Not applicable	Not applicable	7,338	–	7,338	–	0.2	–	0.2	–
Balance carried forward					2,521,568	2,529,407	2,521,568	2,529,407	63.5	64.7	73.1	75.9

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(10) On 16 December 2022, the CapitaLand Ascott REIT Group acquired Eslead Residence Umeda Grande from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.

(11) On 30 November 2022, the CapitaLand Ascott REIT Group acquired the properties from ARC-CapitaLand Two TMK, a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					2,521,588	2,529,407	2,521,588	2,529,407	63.5	64.7	73.1	75.9
<i>Japan (continued)</i>												
Roppongi Residences Tokyo	3-4-31 Roppongi, Minato-ku, Tokyo 106-0032	Freehold	Not applicable	Not applicable	36,919	42,140	36,919	42,140	0.9	1.1	1.1	1.3
S-Residence Fukushima Luxe	7-22-9, Fukushima, Fukushima-ku, Osaka	Freehold	Not applicable	Not applicable	32,789	37,404	32,789	37,404	0.8	1.0	1.0	1.1
S-Residence Gakuenzaka ⁽¹²⁾	2-1-1 Shimodera, Naniwa-ku, Osaka city, Osaka	Freehold	Not applicable	Not applicable	13,184	–	13,184	–	0.3	–	0.4	–
S-Residence Hommachi Marks	2-3-6, Tokuicho, Chuo-ku, Osaka	Freehold	Not applicable	Not applicable	17,681	20,043	17,681	20,043	0.4	0.5	0.5	0.6
S-Residence Midoribashi Serio	3-17-6, Nakamata, Higashinari-ku, Osaka	Freehold	Not applicable	Not applicable	15,637	17,909	15,637	17,909	0.4	0.5	0.5	0.5
S-Residence Namba Viale ⁽¹²⁾	3-9-1 Motomachi, Naniwa-ku, Osaka city, Osaka	Freehold	Not applicable	Not applicable	18,498	–	18,498	–	0.5	–	0.5	–
S-Residence Shukugawa ⁽¹²⁾	2-88 Kamizono-cho, Nishinari city, Hyogo	Freehold	Not applicable	Not applicable	8,074	–	8,074	–	0.2	–	0.2	–
S-Residence Tanimachi 9 chome	4-29, Ikutamamaemachi, Tennoji-ku, Osaka	Freehold	Not applicable	Not applicable	18,907	21,467	18,907	21,467	0.5	0.6	0.5	0.6
Balance carried forward					2,683,277	2,668,370	2,683,277	2,668,370	67.5	68.4	77.8	80.0

(12) On 30 November 2022, the CapitalLand Ascott REIT Group acquired the properties from ARC-CapitalLand Two TMK, a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					2,683,277	2,668,370	2,683,277	2,668,370	67.5	68.4	77.8	80.0
Malaysia												
Somerset Kuala Lumpur	187, Jalan Ampang, 50450, Kuala Lumpur	Freehold	Not applicable	Not applicable	40,340	43,444	40,340	43,444	1.0	1.1	1.2	1.3
Philippines												
Ascott Makati	Glorietta 4, Ayala Center, Makati City 1224	Leasehold	48 years	21 years	96,268	107,227	96,268	107,227	2.4	2.8	2.8	3.2
Somerset Millennium Makati	104 Aguirre Street, Legaspi Village, Makati City 1229	Freehold	Not applicable	Not applicable	13,604	15,167	13,604	15,167	0.4	0.4	0.4	0.5
Singapore												
Ascott Orchard Singapore	11 Cairnhill Road, Singapore 229724	Leasehold	99 years	90 years	403,115	398,614	403,115	398,614	10.2	10.3	11.7	11.9
Citadines Mount Sophia Property Singapore	8 Wilkie Road, #01-26 Wilkie Edge, Singapore 228095	Leasehold	96 years	82 years	123,693	122,557	123,693	122,557	3.1	3.1	3.6	3.7
lyf one-north Singapore	80 Nepal Park, Singapore 139409	Leasehold	60 years	56 years	127,031	118,863	127,031	118,863	3.2	3.1	3.7	3.6
Riverside Hotel Robertson Quay (formerly known as Park Hotel Clarke Quay)	1 Unity Street, Singapore 237983	Leasehold	99 years	83 years	-	321,975	338,927	321,975	-	8.3	9.8	9.6
Balance carried forward					3,487,328	3,796,217	3,826,255	3,796,217	87.8	97.5	111.0	113.8

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					3,487,328	3,796,217	3,826,255	3,796,217	87.8	97.5	111.0	113.8
Singapore (continued)												
Somerset Liang Court Property Singapore (under development)	177B River Valley Road, Singapore 179032	Leasehold	99 years	98 years	99 years	184,000	257,000	184,000	6.5	4.7	7.5	5.5
Spain												
Citadines Ramblas Barcelona	Ramblas 122, 08002 Barcelona	Freehold	Not applicable	Not applicable	Not applicable	61,394	53,200	61,394	1.3	1.6	1.5	1.8
The United Kingdom												
Citadines Barbican London	7-21 Goswell Road, London EC1M 7AH	Freehold	Not applicable	Not applicable	Not applicable	77,875	69,655	77,875	1.8	2.0	2.0	2.3
Citadines Holborn-Covent Garden London	94-99 High Holborn, London WC1V 6LF	Freehold	Not applicable	Not applicable	Not applicable	162,327	155,990	162,327	3.9	4.2	4.5	4.9
Citadines South Kensington London	35A Gloucester Road, London SW7 4PL	Freehold	Not applicable	Not applicable	Not applicable	79,106	71,108	79,106	1.8	2.0	2.1	2.4
Citadines Trafalgar Square London	18/21 Northumberland Avenue, London WC2N 5EA	Freehold	Not applicable	Not applicable	Not applicable	178,436	164,628	178,436	4.2	4.6	4.8	5.3
The United States of America												
Element New York Times Square West	311 West 39th Street, New York, New York, 10018	Leasehold	99 years	90 years	91 years	193,693	204,884	193,693	5.2	5.0	5.9	5.8
Sheraton Tribeca New York Hotel	370 Canal Street, New York, New York, 10013	Leasehold	99 years	90 years	91 years	195,063	202,358	195,063	5.1	5.0	5.9	5.8
Balance carried forward					4,666,151	4,928,111	5,005,078	4,928,111	117.6	126.6	145.2	147.6

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					4,666,151	4,928,111	5,005,078	4,928,111	117.6	126.6	145.2	147.6
The United States of America (continued)												
voco Times Square South (formerly known as Hotel Central Times Square)	343 West 36th Street, New York, New York 10018	Freehold	Not applicable	Not applicable	175,514	153,168	175,514	153,168	4.4	3.9	5.1	4.6
Paloma Kent (formerly known as Latitude at Kent) ⁽¹³⁾	1450 E Summit Street Kent, OH 44240	Freehold	Not applicable	Not applicable	43,687	-	43,687	-	1.1	-	1.3	-
Paloma Raleigh (formerly known as Latitude on Hillsborough) ⁽¹⁴⁾	5701 Hillsborough Street, Raleigh, North Carolina 27606	Freehold	Not applicable	Not applicable	87,302	88,205	87,302	88,205	2.2	2.3	2.5	2.6
Paloma University City (formerly known as The Link University City) ⁽¹⁵⁾	3600 Lancaster Avenue, Philadelphia, Pennsylvania 19104	Freehold	Not applicable	Not applicable	83,961	89,046	83,961	89,046	2.1	2.3	2.4	2.7
Paloma West Midtown (formerly known as Signature West Midtown) ⁽¹⁶⁾	800 Marietta Street NW, Atlanta, Georgia, 30318	Freehold	Not applicable	Not applicable	149,098	144,083	149,098	144,083	3.8	3.7	4.3	4.3
Balance carried forward					5,205,713	5,402,613	5,544,640	5,402,613	131.2	138.8	160.8	161.8

(13) On 9 February 2022, the CapitalLand Ascott REIT Group acquired Paloma Kent (formerly known as Latitude at Kent) from Residences at Kent State Property Owner, LLC, an unrelated third party. The valuation was based on direct capitalisation and discounted cash flow method.

(14) On 30 December 2021, the CapitalLand Ascott REIT Group acquired Paloma Raleigh (formerly known as Latitude on Hillsborough) from Raleigh NP Property Owner, LLC, an unrelated third party. The valuation was based on discounted cash flow method.

(15) On 30 December 2021, the CapitalLand Ascott REIT Group acquired Paloma University City (formerly known as The Link University City) from CA Residential Drexei, LLC, an unrelated third party. The valuation was based on direct capitalisation and discounted cash flow method.

(16) On 27 February 2021, the CapitalLand Ascott REIT Group acquired Paloma West Midtown (formerly known as Signature West Midtown) from Atlanta Student LL, LLC, an unrelated third party. The valuation was based on direct capitalisation method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					5,205,713	5,402,613	5,544,640	5,402,613	131.2	138.8	160.8	161.8
The United States of America (continued)												
Seven07 ⁽¹⁷⁾	707 South Fourth Street, Champaign, Illinois 61820	Freehold	Not applicable	Not applicable	117,946	115,164	117,946	115,164	3.0	3.0	3.4	3.4
Standard at Columbia (under development) ⁽¹⁸⁾	1401 Assembly Street, Columbia, South Carolina 29201	Freehold	Not applicable	Not applicable	128,707	–	128,707	–	3.2	–	3.7	–
Uncommon Wilmington ⁽¹⁹⁾	2421 Playa Way, Wilmington, North Carolina 28403	Freehold	Not applicable	Not applicable	77,516	74,315	77,516	74,315	2.0	1.9	2.2	2.2
Wildwood Lubbock ⁽²⁰⁾	1701 N. Quaker Avenue, Lubbock, Texas, 79416	Freehold	Not applicable	Not applicable	107,737	99,855	107,737	99,855	2.7	2.6	3.1	3.0
Balance carried forward					5,637,619	5,691,947	5,976,546	5,691,947	142.1	146.3	173.2	170.4

(17) On 16 November 2021, the CapitalLand Ascott REIT Group acquired Seven07 from CRP/ODC Champaign Venture, L.L.C., an unrelated third party. The valuation was based on direct capitalisation method.

(18) On 30 November 2022, the CapitalLand Ascott REIT Group acquired Standard at Columbia from TAHL PBSA Venture Pte Ltd., a related corporation. The valuation was based on direct capitalisation method.

(19) On 30 December 2021, the CapitalLand Ascott REIT Group acquired Uncommon Wilmington from DRI/CA Wilmington, LLC, an unrelated third party. The valuation was based on direct capitalisation method.

(20) On 22 September 2021, the CapitalLand Ascott REIT Group acquired Wildwood Lubbock from CH Realty VIII/SH Lubbock Wildwood, L.P., an unrelated third party. The valuation was based on direct capitalisation method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					5,637,619	5,691,947	5,976,546	5,691,947	142.1	146.3	173.2	170.4
Vietnam												
Somerset Central TD Hai Phong City ⁽²¹⁾	Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City	Leasehold	64 years	53 years	–	23,211	–	23,211	–	–	0.7	–
Somerset Chancellor Court Ho Chi Minh City	21-23 Nguyen Thi Minh Khai Street District 1, Ho Chi Minh City	Leasehold	48 years	19 years	20 years	43,290	47,089	43,290	47,089	1.1	1.2	1.4
Somerset Grand Hanoi	49 Hai Ba Trung Street, Hanoi	Leasehold	45 years	15 years	16 years	84,293	95,601	84,293	95,601	2.1	2.5	2.9
Somerset Ho Chi Minh City	8A Nguyen Binh Khiem Street, District 1, Ho Chi Minh City	Leasehold	45 years	17 years	18 years	36,179	39,854	36,179	39,854	0.9	1.0	1.2
Somerset Hoa Binh Hanoi	106 Hoang Quoc Viet Street, Cau Giay, Hanoi	Leasehold	36 years	19 years	20 years	31,148	35,202	31,148	35,202	0.9	1.0	1.0
Portfolio of investment properties and investment properties under development Right-of-use assets					5,855,740	5,909,693	6,194,667	5,909,693	147.7	151.9	179.7	176.9
Investment properties and investment properties under development on the Statement of Financial Position of the CapitaLand Ascott REIT Group					267,014	275,879	267,014	275,879	6.7	7.1	7.7	8.3
Balance carried forward					6,122,754	6,185,572	6,461,681	6,185,572	154.4	159.0	187.4	185.2
					6,122,754	6,185,572	6,461,681	6,185,572	154.4	159.0	187.4	185.2

(21) On 30 November 2022, the CapitaLand Ascott REIT Group acquired Somerset Central TD Hai Phong City from Vibrant Coral Overseas Inc., a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease 2022	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 %	2021 %	2022 %	2021 %
Balance brought forward					6,122,754	6,185,572	6,461,681	6,185,572	154.4	159.0	187.4	185.2
Investment properties of the CapitalLand Ascott BT Group												
Japan												
Sotetsu Grand Fresa Osaka-Namba	1-1-13, Nipponbashi, Chuo-ku, Osaka 542-0073	Freehold	Not applicable	Not applicable	207,466	243,131	-	-	5.2	6.2	-	-
South Korea												
Ibis Ambassador Seoul Insadong	31 Samil-daero 30-gil, Ikseon-dong, Jongno-gu, Seoul	Freehold	Not applicable	Not applicable	81,120	87,898	-	-	2.0	2.3	-	-
Sotetsu Hotels The Splaisir Seoul Dongdaemun	226 Jangchoongdan-ro, Gwanghui-dong, Jung-gu, Seoul	Freehold	Not applicable	Not applicable	78,000	84,116	-	-	2.0	2.2	-	-
Investment properties and investment properties under development on the Statement of Financial Position of the Stapled Group					6,489,340	6,600,717	6,461,681	6,185,572	163.6	169.7	187.4	185.2
Balance carried forward					6,489,340	6,600,717	6,461,681	6,185,572	163.6	169.7	187.4	185.2

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2022	2021	2022	2021	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					6,489,340	6,600,717	6,461,681	6,185,572	163.6	169.7	187.4	185.2
Freehold land and buildings of the CapitalLand Ascott BT Group												
<i>Australia</i>												
Courtyard by Marriott Sydney-North Ryde	7-11 Talavera Road, North Ryde, NSW 2113	Freehold	Not applicable	Not applicable	48,946	48,324	-	-	1.2	1.2	-	-
Novotel Sydney Central	169-179 Thomas Street, Sydney, NSW 2000	Freehold	Not applicable	Not applicable	144,847	150,611	-	-	3.7	3.9	-	-
Novotel Sydney Parramatta	350 Church Street, Parramatta, NSW 2150	Freehold	Not applicable	Not applicable	38,954	37,520	-	-	1.0	1.0	-	-
Pullman and Mercure Brisbane King George Square	Corner Ann and Roma Street, Brisbane, QLD 4000	Freehold	Not applicable	Not applicable	73,191	71,842	-	-	1.8	1.8	-	-
Pullman and Mercure Melbourne Albert Park	65 Queens Road, Melbourne, VIC 3004	Freehold	Not applicable	Not applicable	89,890	90,337	-	-	2.3	2.3	-	-
Pullman Sydney Hyde Park	36 College Street, Sydney, NSW 2000	Freehold	Not applicable	Not applicable	140,797	143,347	-	-	3.6	3.7	-	-
Portfolio of freehold land and buildings of the CapitalLand Ascott BT Group					536,625	541,981	-	-	13.6	13.9	-	-
Total investment properties, investment properties under development and freehold land and buildings					7,025,965	7,142,698	6,461,681	6,185,572	177.2	183.6	187.4	185.2
Leasehold land and buildings – Riverside Hotel Robertson Quay⁽²²⁾					338,927	-	-	-	8.5	-	-	-
Other assets and liabilities (net)					(2,920,097)	(2,774,979)	(2,534,369)	(2,369,008)	(73.6)	(71.3)	(73.5)	(70.9)
Net assets					4,444,795	4,367,719	3,927,312	3,816,564	112.1	112.3	113.9	114.3
Perpetual securities holders					(396,298)	(396,298)	(396,298)	(396,298)	(10.0)	(10.2)	(11.5)	(11.9)
Non-controlling interests					(83,061)	(80,561)	(81,446)	(78,816)	(2.1)	(2.1)	(2.4)	(2.4)
Stapled Securityholders' funds					3,965,436	3,890,860	3,449,568	3,341,450	100.0	100.0	100.0	100.0

(22) Details on the classification of Riverside Hotel Robertson Quay are set out in Note 4.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2022

On 31 December 2022, Citadines Zhuankou Wuhan, Somerset Grand Central Dalian, Somerset Heping Shenyang, Somerset Olympic Tower Property Tianjin, Citadines Central Shinjuku, Citadines Karasuma-Gojo Kyoto, Citadines Shinjuku Tokyo, Hotel WBF Honmachi, Hotel WBF Kitasemba East, Hotel WBF Kitasemba West, Sotetsu Grand Fresa Tokyo-Bay Ariake, Actus Hakata V-Tower, Alpha Square Kita 15 jo, Big Palace Kita 14 jo, Big Palace Minami 5 jo, City Court Kita 1 jo, Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Umbeda Grande, Gravis Court Kakomachi, Gravis Court Kokutaiji, Gravis Court Nishiharaekimae, House Saison Shijo-Dori, Infini Garden, Marunouchi Central Heights, Roppongi Residences Tokyo, S-Residence Fukushima Luxe, S-Residence Gakuenzaka, S-Residence Hommachi Marks, S-Residence Midoribashi Serio, S-Residence Namba Viale, S-Residence Shukugawa, S-Residence Tanimachi 9 chome, Citadines Mount Sophia Property Singapore, Element New York Times Square West, Sheraton Tribeca New York Hotel, voco Times Square South, Paloma West Midtown, Seven07, Standard at Columbia, Somerset Chancellor Court Ho Chi Minh City, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Sotetsu Grand Fresa Osaka-Namba were pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 18).

On 31 December 2021, Citadines Zhuankou Wuhan, Somerset Grand Central Dalian, Somerset Heping Shenyang, Somerset Olympic Tower Property Tianjin, Citadines Central Shinjuku, Citadines Karasuma-Gojo Kyoto, Citadines Shinjuku Tokyo, Actus Hakata V-Tower, Alpha Square Kita 15 jo, Big Palace Kita 14 jo, Big Palace Minami 5 jo, City Court Kita 1 jo, Gravis Court Kakomachi, Gravis Court Kokutaiji, Gravis Court Nishiharaekimae, Infini Garden, Roppongi Residences Tokyo, S-Residence Fukushima Luxe, S-Residence Hommachi Marks, S-Residence Midoribashi Serio, S-Residence Tanimachi 9 chome, Citadines Mount Sophia Property Singapore, Element New York Times Square West, Sheraton Tribeca New York Hotel, voco Times Square South (formerly known as Hotel Central Times Square), Paloma West Midtown (formerly known as Signature West Midtown), Seven07, Somerset Chancellor Court Ho Chi Minh City, Somerset Grand Hanoi and Somerset Ho Chi Minh City were pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 18).

As at 31 December 2022, the carrying amounts for most of the investment properties and Somerset Liang Court, investment property under development, were based on independent valuations carried out by Colliers. The valuation for the remaining properties are conducted by the following valuers: Quest Cannon Hill, La Clef Tour Eiffel Paris, House Saison Shijo-Dori, Marunouchi Central Heights, S-Residence Gakuenzaka, S-Residence Namba Viale, S-Residence Shukugawa and Somerset Central TD Hai Phong City conducted by HVS; Eslead Residence Bentencho Grande and Eslead Residence Umbeda Grande conducted by Asset Valuation Partners; Standard at Columbia, property under development, conducted by JLL Valuation & Advisory Services, LLC; ibis Ambassador Seoul Insadong, Sotetsu Hotels The Splaisir Seoul Dongdaemun, Element New York Times Square West, Sheraton Tribeca New York Hotel and voco Times Square South conducted by CBRE. The freehold land and buildings of the six Australia properties and leasehold land and buildings of Riverside Hotel Robertson Quay were stated at fair value based on valuations carried out by Colliers. The Managers believe that the external property valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The Stapled Group's valuations include plant and equipment located in the investment properties. The valuations adopted in the portfolio table above were adjusted for values ascribed to plant and equipment.

As at 31 December 2021, the carrying amounts for most of the investment properties and investment properties under development were based on independent valuations carried out by Colliers. The remaining properties valuations are conducted by the following valuers: Alpha Square Kita 15 jo conducted by Savills Japan Co., Ltd, Big Palace Minami 5 jo conducted by Cushman & Wakefield K.K., City Court Kita 1 jo conducted by Asset Valuation Partners, Paloma University City (formerly known as The Link University City) conducted by Newmark Valuation & Advisory, LLC, and Uncommon Wilmington and Paloma Raleigh (formerly known as Latitude on Hillsborough) are conducted by Newmark Knight Frank Valuation & Advisory, LLC. The freehold land and buildings of the six Australia properties were stated at fair value based on valuations carried out by CBRE Valuations Pty Limited. The Managers believe that the external property valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The Stapled Group's valuations include plant and equipment located in the investment properties. The valuations adopted in the portfolio table above were adjusted for values ascribed to plant and equipment.

The fair values were derived based on the discounted cash flow, direct capitalisation and residual land value methods. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. The valuation methods used in determining the fair value involve certain estimates and assumptions including those relating to discount rate, terminal capitalisation rate, capitalisation rate, revenue per available unit and gross development costs.

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

Year ended 31 December 2022

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Total return for the year before income tax	273,742	345,555	4,444	29,503	259,783	374,932
Adjustments for:						
Depreciation of property, plant and equipment	12,514	10,494	22,080	22,150	35,773	32,644
Amortisation of deferred income	–	–	(786)	(1,694)	(786)	(1,694)
Finance costs	61,985	49,168	14,616	15,981	69,012	55,977
Finance income	(1,176)	(2,920)	(338)	(199)	(1,468)	(3,070)
Foreign exchange loss – unrealised	34,448	13,436	19,373	1,173	53,821	14,609
Loss on disposal of property, plant and equipment	345	29	–	–	345	29
Managers' management fees paid/payable in Stapled Securities	19,481	14,936	2,276	2,094	21,757	17,030
Revaluation surplus on land and buildings	–	–	(5,393)	(21,201)	(5,393)	(21,201)
Net change in fair value of investment properties, investment properties under development and assets held for sale	(138,850)	(115,809)	4,534	(4,993)	(122,353)	(126,058)
Net change in fair value of financial derivatives	(597)	–	–	–	(597)	–
Net change in fair value of investment securities	(253)	(91)	–	–	–	–
Profit from divestments	(99)	(153,226)	–	–	(99)	(153,226)
Assets written off	78	4	–	–	78	4
Impairment loss/(write back) of trade and other receivables	665	5,571	27	(87)	692	5,484
Share of results of associate (net of tax)	27	28	–	–	27	28
Share of results of joint venture (net of tax)	(3,918)	211	–	–	(3,918)	211
Operating income before working capital changes	258,392	167,386	60,833	42,727	306,674	195,699
Changes in working capital:						
Inventories	66	37	(27)	(35)	39	2
Trade and other receivables	(32,402)	(44,370)	(4,092)	(2,827)	(6,871)	(31,957)
Trade and other payables	14,848	(18,744)	28,800	20,295	14,025	(13,688)
Cash generated from operations	240,904	104,309	85,514	60,160	313,867	150,056
Income tax paid	(30,412)	(2,923)	(1,134)	(1,507)	(31,546)	(4,430)
Net cash generated from operating activities	210,492	101,386	84,380	58,653	282,321	145,626
Balance carried forward	210,492	101,386	84,380	58,653	282,321	145,626

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

Year ended 31 December 2022

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance brought forward		210,492	101,386	84,380	58,653	282,321	145,626
Cash flows from investing activities							
Acquisition of investment properties	40	(261,470)	(663,973)	–	–	(261,470)	(663,973)
Advance (to)/from related corporations		(41,783)	–	41,783	–	–	–
Capital expenditure on investment properties		(10,349)	(31,274)	(507)	(784)	(10,856)	(32,058)
Capital expenditure on investment properties under development		(25,183)	(69,149)	–	–	(25,183)	(69,149)
Deposit paid for acquisition of investment properties		(10,058)	(798)	–	–	(10,058)	(798)
Loan to joint venture		(6,866)	(14,011)	–	–	(6,866)	(14,011)
Disposal of subsidiaries, net of cash disposed of ⁽¹⁾	34	–	203,995	–	–	–	203,995
Proceeds from disposal of assets held for sale		–	49,444	–	–	–	49,444
Refund of purchase consideration to buyer for disposal of subsidiary in prior year	34	(128)	–	–	–	(128)	–
Payment of transaction costs for disposal of investment properties		–	(871)	–	–	–	(871)
Proceeds from disposal of strata units		530	647	–	–	530	647
Interest received		1,130	2,510	198	41	1,328	2,551
Refund of deposit received for divestment of subsidiaries		–	(8,671)	–	–	–	(8,671)
Proceeds from sale of property, plant and equipment		11	7	–	–	11	7
Purchase of property, plant and equipment		(10,847)	(3,555)	(1,640)	(2,110)	(12,487)	(5,665)
Settlement of hedging instruments		–	–	16,355	–	16,355	–
Net cash (used in)/generated from investing activities		(365,013)	(535,699)	56,189	(2,853)	(308,824)	(538,552)
Balance carried forward		(154,521)	(434,313)	140,569	55,800	(26,503)	(392,926)

(1) Proceeds from disposal of subsidiaries for the year ended 31 December 2021 included the amount of \$183,585,000 for Shanghai Xinwei Real Estate Development Co., Ltd and receipt of outstanding consideration of \$20,410,000 for Guangzhou Hai Yi Real Estate Development Co., Ltd. (divested during the year ended 31 December 2020).

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

Year ended 31 December 2022

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward	(154,521)	(434,313)	140,569	55,800	(26,503)	(392,926)
Cash flows from financing activities						
Distributions to Stapled Securityholders	(139,955)	(121,205)	(28,715)	(21,273)	(168,670)	(142,478)
Distributions to perpetual securities holders	(13,495)	(13,495)	–	–	(13,495)	(13,495)
Dividends paid to non-controlling interests	(1,888)	(868)	(61)	(77)	(1,929)	(911)
Proceeds from issue of Stapled Securities	170,000	150,000	–	–	170,000	150,000
Payment of issue expenses on issuance of Stapled Securities	(2,293)	(1,926)	–	–	(2,293)	(1,926)
Proceeds from borrowings and issuance of notes	1,554,606	754,954	92,243	–	1,646,849	754,954
Repayment of borrowings and medium term notes	(1,319,220)	(422,698)	(161,770)	–	(1,480,990)	(422,698)
Payment of transaction costs on borrowings and notes	(7,842)	(4,619)	(231)	–	(8,073)	(4,619)
Payment of lease liabilities	(7,897)	(8,384)	(4,989)	(5,256)	(7,897)	(8,384)
Interest paid	(55,966)	(45,572)	(14,101)	(15,480)	(62,525)	(51,929)
Change in restricted cash deposits	(18)	(14)	212	132	194	118
Net cash generated from/(used in) financing activities	176,032	286,173	(117,412)	(41,954)	71,171	258,632
Net increase/(decrease) in cash and cash equivalents	21,511	(148,140)	23,157	13,846	44,668	(134,294)
Cash and cash equivalents at 1 January	300,792	453,726	42,877	30,196	343,669	483,922
Effect of exchange rate changes on balances held in foreign currency	(23,441)	(4,794)	(3,731)	(1,165)	(27,172)	(5,959)
Cash and cash equivalents at 31 December	298,862	300,792	62,303	42,877	361,165	343,669

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

Year ended 31 December 2022

Significant non-cash transactions

CapitaLand Ascott REIT Group

During the year, the CapitaLand Ascott REIT Group has the following significant non-cash transactions:

- A total of 18,634,723 (2021: 14,759,983) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees amounting to \$19,481,000 (2021: \$14,936,000) in respect of the year ended 31 December 2022.
- The CapitaLand Ascott REIT Group incurred capital expenditure on investment properties of \$12,925,000 (2021: \$31,079,000), of which \$2,576,000 (2021: \$Nil) was included in trade and other payables.
- The CapitaLand Ascott REIT Group incurred capital expenditure on investment properties under development of \$25,217,000 (2021: \$70,459,000), of which \$6,221,000 (2021: \$6,187,000) was unpaid and included in trade and other payables.

CapitaLand Ascott BT Group

A total of 2,169,590 (2021: 2,057,689) Stapled Securities were issued or will be issued as payment of the BT Trustee-Manager's management fees amounting to \$2,276,000 (2021: \$2,094,000) in respect of the year ended 31 December 2022.

Stapled Group

During the year, the Stapled Group has the following significant non-cash transactions:

- A total of 18,634,723 (2021: 14,759,983) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees amounting to \$19,481,000 (2021: \$14,936,000) in respect of the year ended 31 December 2022.
- A total of 2,169,590 (2021: 2,057,689) Stapled Securities were issued or will be issued as payment of the BT Trustee-Manager's management fees amounting to \$2,276,000 (2021: \$2,094,000) in respect of the year ended 31 December 2022.
- The Stapled Group incurred capital expenditure on investment properties of \$13,432,000 (2021: \$31,863,000), of which \$2,576,000 (2021: \$Nil) was unpaid and included in trade and other payables.
- The Stapled Group incurred capital expenditure on investment properties under development of \$25,217,000 (2021: \$70,459,000), of which \$6,221,000 (2021: \$6,187,000) was unpaid and included in trade and other payables.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the REIT Manager, the BT Trustee-Manager and the REIT Trustee on 9 March 2023.

1 GENERAL

With effect from 27 September 2022, Ascott Residence Trust, Ascott Real Estate Investment Trust and Ascott Business Trust were renamed to CapitaLand Ascott Trust, CapitaLand Ascott Real Estate Investment Trust and CapitaLand Ascott Business Trust respectively.

CapitaLand Ascott Trust is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group") and CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group") (collectively, the "Stapled Group").

CapitaLand Ascott REIT is a Singapore-domiciled unit trust constituted pursuant to the CapitaLand Ascott REIT trust deed dated 19 January 2006 (as amended) (the "CapitaLand Ascott REIT Trust Deed") between CapitaLand Ascott Trust Management Limited (formerly known as Ascott Residence Trust Management Limited) (the "REIT Manager") and DBS Trustee Limited (the "REIT Trustee"). The CapitaLand Ascott REIT Trust Deed is governed by the laws of the Republic of Singapore. The REIT Trustee is under a duty to take into custody and hold the assets of CapitaLand Ascott REIT held by it or through its subsidiaries in trust for the holders of units in CapitaLand Ascott REIT.

CapitaLand Ascott BT is a business trust constituted by a trust deed dated 9 September 2019 (as amended) (the "CapitaLand Ascott BT Trust Deed") and is managed by CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (the "BT Trustee-Manager").

A stapling deed dated 9 September 2019 and First Supplemental Stapling Deed dated 27 September 2022 was entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager (the "Stapling Deed").

On 31 December 2019, the units in each of CapitaLand Ascott REIT and CapitaLand Ascott BT are stapled together and cannot be traded separately. Each stapled security in CapitaLand Ascott Trust (the "Stapled Security") comprises a unit in CapitaLand Ascott REIT (the "CapitaLand Ascott REIT Unit") and a unit in CapitaLand Ascott BT (the "CapitaLand Ascott BT Unit").

The principal activities of the significant subsidiaries of the Stapled Group are those relating to investment in real estate and real estate related assets which are income-producing, and which are used or predominantly used, as serviced residences, hotels, rental housing properties, student accommodation properties and other hospitality assets in any country in the world.

For financial reporting purposes, the intermediate and ultimate holding companies of the Stapled Group are CapitaLand Investment Limited and Temasek Holdings (Private) Limited. The intermediate and ultimate holding companies are incorporated in the Republic of Singapore.

The consolidated financial statements of the CapitaLand Ascott REIT Group relate to CapitaLand Ascott REIT, its subsidiaries and its interests in its associate and joint venture. The consolidated financial statements of the CapitaLand Ascott BT Group relate to CapitaLand Ascott BT and its subsidiaries. The consolidated financial statements of the Stapled Group relate to the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group.

Notes to the Financial Statements

Year ended 31 December 2022

1 GENERAL (continued)

1.1 Service agreements

Several service agreements are in place in relation to the management of CapitaLand Ascott REIT and CapitaLand Ascott BT and their property operations. The fee structures of these services are as follows:

(i) REIT Trustee's fees

Pursuant to Clause 16.2 of the CapitaLand Ascott REIT Trust Deed, the REIT Trustee's fee shall not exceed 0.1% per annum of the value of the assets of the CapitaLand Ascott REIT Group (the "CapitaLand Ascott REIT Deposited Property"), subject to a minimum of \$10,000 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott REIT. The REIT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the CapitaLand Ascott REIT Trust Deed. The REIT Trustee's fees are payable monthly in arrears.

(ii) REIT Manager's fees

Management fees

The REIT Manager is entitled under Clauses 15.1.1 and 15.1.2 of the CapitaLand Ascott REIT Trust Deed to the following management fees:

- (a) a base fee of 0.3% per annum of the property values; and
- (b) an annual performance fee of:
 - base performance fee of 4.0% per annum of the CapitaLand Ascott REIT Group's share of gross profit for each financial year; and
 - in the event that the CapitaLand Ascott REIT Group's share of gross profit increases by more than 6.0% annually, an additional outperformance fee of 1.0% of the difference between the CapitaLand Ascott REIT Group's share of that financial year's gross profit and 106% of the CapitaLand Ascott REIT Group's share of the preceding year's gross profit.

The base management fees payable in cash and in the form of Stapled Securities shall be payable quarterly in arrears. Performance fees shall be payable once a year, after the end of the financial year.

When management fees are payable in Stapled Securities, the REIT Manager shall be entitled to receive such number of Stapled Securities as may be purchased for the relevant amount of the management fees at the market price (as defined in the CapitaLand Ascott REIT Trust Deed).

Acquisition fee

Pursuant to Clause 15.2.1 of the CapitaLand Ascott REIT Trust Deed, the REIT Manager is entitled to receive the following acquisition fees:

- (a) an acquisition fee of 1.0% of the enterprise value ("Enterprise Value") of any real estate or real estate related asset acquired directly or indirectly by CapitaLand Ascott REIT, prorated if applicable to the proportion of CapitaLand Ascott REIT's interest; and
- (b) in the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the CapitaLand Ascott REIT Deposited Property, provided that the REIT Manager shall charge an acquisition fee of 0.5% instead of 1.0%.

Notes to the Financial Statements

Year ended 31 December 2022

1 GENERAL (continued)

1.1 Service agreements (continued)

(ii) REIT Manager's fees (continued)

Where assets acquired by CapitaLand Ascott REIT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), Enterprise Value shall mean the sum of the equity value and the total debt attributable to the shares being acquired by CapitaLand Ascott REIT and where the asset acquired by the CapitaLand Ascott REIT is a property, Enterprise Value shall mean the value of the property.

The REIT Manager may opt to receive such acquisition fee in the form of cash or Stapled Securities or a combination of cash and Stapled Securities as it may determine.

In the event that the REIT Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott REIT at the market price.

Divestment fee

The REIT Manager is entitled under Clause 15.2.1 of the CapitaLand Ascott REIT Trust Deed to receive a divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset disposed directly or indirectly by CapitaLand Ascott REIT, prorated if applicable to the proportion of CapitaLand Ascott REIT's interest.

The divestment fee is payable to the REIT Manager in the form of cash. In the event that the REIT Manager receives a divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott REIT at the market price.

(iii) BT Trustee-Manager's fees

Trustee fee

Pursuant to Clause 14.4.2 of the CapitaLand Ascott BT Trust Deed, the BT Trustee-Manager's fee shall not exceed 0.015% per annum of the value of the assets of the CapitaLand Ascott BT Group (the "CapitaLand Ascott BT Deposited Property"), subject to a minimum of \$13,500 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott BT. The BT Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the CapitaLand Ascott BT Trust Deed. The BT Trustee-Manager's fees are payable monthly in arrears.

Management fees

The BT Trustee-Manager is entitled under Clauses 14.1.1 and 14.1.2 of the CapitaLand Ascott BT Trust Deed to the following management fees:

- (a) a base fee of 0.3% per annum of the property values; and
- (b) an annual performance fee of:
 - base performance fee of 4.0% per annum of the CapitaLand Ascott BT Group's share of gross profit for each financial year; and
 - in the event that the CapitaLand Ascott BT Group's share of gross profit increases by more than 6.0% annually, an additional outperformance fee of 1.0% of the difference between the CapitaLand Ascott BT Group's share of that financial year's gross profit and 106% of the CapitaLand Ascott BT Group's share of the preceding year's gross profit.

Notes to the Financial Statements

Year ended 31 December 2022

1 GENERAL (continued)

1.1 Service agreements (continued)

(iii) BT Trustee-Manager's fees (continued)

The base management fees and performance fees payable in cash and in the form of Stapled Securities shall be payable quarterly in arrears.

When management fees are payable in Stapled Securities, the BT Trustee-Manager shall be entitled to receive such number of Stapled Securities as may be purchased for the relevant amount of the management fees at the market price (as defined in the CapitaLand Ascott BT Trust Deed).

Acquisition fee

Pursuant to Clause 14.2.1 of the CapitaLand Ascott BT Trust Deed, the BT Trustee-Manager is entitled to receive the following acquisition fees:

- (a) an acquisition fee of 1.0% of the Enterprise Value of any real estate or real estate related asset acquired directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of CapitaLand Ascott BT's interest; and
- (b) in the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the CapitaLand Ascott BT Deposited Property, provided that the BT Trustee-Manager shall charge an acquisition fee of 0.5% instead of 1.0%.

Where assets acquired by CapitaLand Ascott BT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), Enterprise Value shall mean the sum of the equity value and the total debt attributable to the shares being acquired by CapitaLand Ascott BT and where the asset acquired by CapitaLand Ascott BT is a property, Enterprise Value shall mean the value of the property.

The BT Trustee-Manager may opt to receive such acquisition fee in the form of cash or Stapled Securities or a combination of cash and Stapled Securities as it may determine.

In the event that the BT Trustee-Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott BT at the market price.

Divestment fee

The BT Trustee-Manager is entitled under Clause 14.2.1 of the CapitaLand Ascott BT Trust Deed to receive a divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset disposed directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of the CapitaLand Ascott BT's interest.

The divestment fee is payable to the BT Trustee-Manager in the form of cash. In the event that the BT Trustee-Manager receives a divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott BT at the market price.

Notes to the Financial Statements

Year ended 31 December 2022

1 GENERAL (continued)

1.1 Service agreements (continued)

(iv) Fees under serviced residence management agreements

The serviced residence management fee for each property is agreed between the Stapled Group and the relevant serviced residence management company as follows:

- (a) for management contracts, each property is charged management fees of between 1.0% and 3.0% per annum of the total revenue of each property and up to 11.0% per annum of gross operating profit of each property; and
- (b) for management contracts with minimum guaranteed income, each property is charged management fees of:
 - 2.0% to 3.0% per annum of the total revenue of each property; and
 - up to 9.0% per annum of gross operating profit of each property and up to 13.0% per annum of adjusted gross operating profit of each property.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the CapitaLand Ascott REIT Group and the Stapled Group have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the CapitaLand Ascott REIT Trust Deed and the Stapling Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRSs").

The financial statements of the CapitaLand Ascott BT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), the applicable requirements of the Business Trusts Act 2004 and the provisions of the CapitaLand Ascott BT Trust Deed. The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the functional currency of CapitaLand Ascott REIT and CapitaLand Ascott BT. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

Notes to the Financial Statements

Year ended 31 December 2022

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3.3 and 4 – classification of investment properties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4, 5 and 6 – determination of fair value of investment properties, land and buildings, and investment properties under development

Measurement of fair values

A number of the Stapled Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have an established control framework with respect to the measurement of fair values. Significant fair value measurements, including Level 3 fair values, will be reported directly to the Chief Executive Officer ("CEO") of the Managers.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as valuation of investment property by external property valuers, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRSS/SFRS(I)s, including the level in the fair value hierarchy in which such valuations should be classified.

The valuation of significant assets and their financial impact are discussed by the Audit Committee and Board of Directors of the Managers.

When measuring the fair value of an asset or a liability, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Notes to the Financial Statements

Year ended 31 December 2022

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 35 – financial instruments.

2.5 Changes in accounting policies

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have applied the following FRSs or SFRS(I)s, amendments to and interpretations of FRSs/SFRS(I)s for the first time for the annual period beginning on 1 January 2022:

Applicable to 2022 financial statements

- *Reference to the Conceptual Framework (Amendments to SFRS(I)3/FRS 103)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to SFRS(I)1-16/FRS 116)*
- *Onerous Contracts – Cost of fulfilling a Contract (Amendments to SFRS(I)1-37/FRS 37)*
- *Annual Improvements to SFRS(I)s/FRSs 2018-2020*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group consistently to all periods presented in these financial statements, except as explained in Note 2.5 which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

(ii) Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Stapled Group. In determining whether a particular set of activities and assets is a business, the Stapled Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Stapled Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(ii) Business combinations (continued)

The Stapled Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in Statement of Total Return. NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRS/SFRS(I)s. If the business combination is achieved in stages, the Stapled Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Stapled Group incurs in connection with a business combination are expensed as incurred.

(iii) Property acquisition and business combination

Where a property is acquired, via corporate acquisitions or otherwise, the Managers consider whether the acquisition represents an acquisition of a business or an acquisition of an asset. The Stapled Group accounts for an acquisition as business combination when an integrated set of activities is acquired, in addition to the property.

In determining whether an integrated set of activities is acquired, the Managers consider whether significant processes are acquired (e.g. strategic management and serviced residence operations, etc.). Where significant processes are acquired, the acquisition is considered an acquisition of business.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(iv) Subsidiaries

Subsidiaries are entities controlled by the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group. The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group control an entity when they are exposed to, or have rights to, variable returns from their involvement with the entity and have the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the interests of the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Upon the loss of control of a subsidiary, the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group derecognise the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group retain any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Associate and joint venture

Associates are those entities in which the CapitaLand Ascott REIT Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the CapitaLand Ascott REIT Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the CapitaLand Ascott REIT Group has joint control, whereby the CapitaLand Ascott REIT Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associate and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the CapitaLand Ascott REIT Group's share of the income, expenses and equity movements of the associate and joint venture, after adjustments to align the accounting policies with those of the CapitaLand Ascott REIT Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the CapitaLand Ascott REIT Group's share of losses exceeds its interest in an associate and a joint venture, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the CapitaLand Ascott REIT Group has an obligation to fund the associate's and joint venture's operations or has made payments on behalf of the investee.

An impairment loss in respect of an associate and a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.7. An impairment loss is recognised in the Statement of Total Return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the CapitaLand Ascott REIT Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Items included in the financial statements of each entity in the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group, and the Stapled Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

Transactions in foreign currencies are translated to the respective functional currencies of the Stapled Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in the Statement of Total Return, except for differences arising from the translation of monetary items that in substance form part of the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's net investment in a foreign operation, financial liabilities designated as hedges of net investment in a foreign operation (see Note 3.6(vi)) or qualifying cash flow hedges, to the extent such hedges are effective, which are recognised in Stapled Securityholders' funds.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments, arising on acquisitions are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates at the dates of the transactions. Fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in other comprehensive income ("OCI") or Stapled Securityholders' funds, and presented in the foreign currency translation reserve. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is transferred to total return as part of the profit or loss on disposal. When the disposal is only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group dispose of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to Statement of Total Return.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

(iii) Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in Stapled Securityholders' funds and are presented in the foreign currency translation reserve.

3.3 Investment properties and investment properties under development

Investment properties comprise serviced residences, hotels, rental housing properties, student accommodation properties and other hospitality assets which are held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Stapled Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the total return. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined in accordance with the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- at least once in each period of 12 months following the acquisition of each parcel of real estate property; and
- for acquisition and disposal of real estate property as required by the CIS Code issued by MAS.

Any increase or decrease on revaluation is credited or charged to the Statement of Total Return as a net change in fair value of the investment properties and investment properties under development.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between the net disposal proceeds and the carrying amount of the property.

Properties are classified either as investment properties or property, plant and equipment in the Statement of Financial Position. In assessing whether a property is classified as an investment property or property, plant and equipment, the Stapled Group takes into consideration several factors including, but not limited to, the business model, the extent of ancillary services provided, the power that the Stapled Group has to make significant operating and financing decisions regarding the operations of the property and the significance of its exposure to variations in the net cash flows of the property. The factors above are considered collectively, together with the facts and circumstances of each lease, in determining the classification of a property.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Stapled Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Subsequent to recognition, land and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses while other plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Any surplus arising on the revaluation is recognised in OCI or Stapled Securityholders' funds (as the case may be), except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognised in the Statement of Total Return, in which case the credit to that extent is recognised in the Statement of Total Return. Any deficit on revaluation is recognised in the Statement of Total Return except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognised in OCI or Stapled Securityholders' funds (as the case may be).

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Total Return.

(ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Stapled Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the Statement of Total Return on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Land and buildings	–	30 to 83 years
Plant and machinery	–	2 to 15 years
Renovation	–	8 to 12 years
Motor vehicles	–	5 to 8 years
Office equipment, computers and furniture	–	2 to 10 years

Freehold land and assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed and ready to use.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Intangible assets

Goodwill

For business combinations, the Stapled Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in the total return. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment as described in Note 3.7.

3.6 Financial instruments

(i) Non-derivative financial assets

Classification and measurement

The Stapled Group classifies their financial assets as financial assets at amortised cost and fair value through profit or loss ("FVTPL").

The classification depends on the Stapled Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Stapled Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Stapled Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Stapled Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Total Return.

At subsequent measurement

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

Financial assets at FVTPL

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost are classified as FVTPL. Movement in fair values and interest income is recognised in the Statement of Total Return in the period in which it arises and presented in "other income".

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the Statement of Cash Flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Stapled Group's cash management are included as a component of cash and cash equivalents.

(iii) Non-derivative financial liabilities

The Stapled Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at FVTPL) are recognised initially on the trade date, which is the date that the Stapled Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as FVTPL if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in total return as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in total return.

The Stapled Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprised loans and borrowings, and trade and other payables (excluding advance rental and liability for employee benefits).

(iv) Derecognition

Financial assets are derecognised if the Stapled Group's contractual rights to the cash flows from the financial assets expire or if the Stapled Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Stapled Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Stapled Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Stapled Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Stapled Group applies the policies on accounting for modifications to the additional changes.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Stapled Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Derivative financial instruments and hedge accounting

The Stapled Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through total return. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Stapled Group designates each hedge as either: (a) cash flow hedge; or (b) net investment hedge.

On initial designation of the derivative as the hedging instrument, the Stapled Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Stapled Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from Interest rate benchmark reform

A hedging relationship is directly affected by the uncertainties arising from the IBOR reform with respect to the hedged risk and the timing and amount of the interest rate benchmark-based cash flows of the hedged item and hedge instruments. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Stapled Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

For a cash flow hedge of a forecast transaction, the Stapled Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect total return. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Stapled Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Stapled Group will cease to apply the amendments to its effectiveness assessment of the hedging relationship at the earlier of, when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the hedged risk and the timing and the amount of the contractual cash flows of the hedged item and hedging instrument; and when the hedging relationship is discontinued.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Stapled Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Stapled Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Stapled Group also amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Stapled Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Stapled Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Stapled Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The Stapled Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve in Stapled Securityholders' funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised in the hedging reserve is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Stapled Securityholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Statement of Total Return in the same period or periods as the hedged expected future cash flows affect total return.

Fair value hedges

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Stapled Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Stapled Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Stapled Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in total return. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in total return within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in total return and presented separately in "other operating income or expenses".

Net investment hedge

The Stapled Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in the foreign currency translation reserve in Stapled Securityholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the Statement of Total Return. The amount recognised in the foreign currency translation reserve is reclassified to the Statement of Total Return on disposal of the foreign operation.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the Statement of Total Return.

Sustainability-linked notes

The Stapled Group issued notes with contractual cash flows based on the Stapled Group meeting several sustainability performance targets. The Stapled Group has determined that the variability in cash flows linked to the Stapled Group's sustainability performance target is a non-financial variable specific to the party to the contract and therefore in accordance to the accounting policy of the Stapled Group, the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest rate of the notes.

(vii) Intra-group financial guarantees

Financial guarantees are financial instruments issued by the Stapled Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount of loss allowance. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the Statement of Total Return.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Stapled Group expects to recover.

(viii) Stapled Securityholders' funds

Stapled Securityholders' funds represent the Stapled Securityholders' residual interest in the net assets of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group upon termination and is classified as equity. Incremental costs directly attributable to the issue of Stapled Securities are recognised as a deduction from Stapled Securityholders' funds.

(ix) Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of CapitaLand Ascott REIT. As CapitaLand Ascott REIT does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as Stapled Securityholders' funds.

Any distributions made are directly debited from Stapled Securityholders' funds. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment

(i) Financial assets

The Stapled Group assesses on a forward-looking basis, the expected credit losses (“ECL”) associated with its financial assets carried at amortised cost and financial guarantee contracts. For trade receivables, the Stapled Group applies the simplified approach permitted by FRS 109/SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Stapled Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Stapled Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Stapled Group on terms that the Stapled Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Stapled Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Stapled Group’s procedures for recovery of amounts due.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Stapled Group's non-financial assets, other than investment properties, investment properties under development, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the Statement of Total Return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Inventories

Inventories comprise principally food and beverage and other serviced residence, hotels and rental property related consumable stocks. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out allocation method.

3.9 Assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable FRSs/SFRS(I)s. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell except for investment properties and land and buildings which are remeasured with reference to fair value or agreed sale proceeds.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Employee benefits

(i) Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the Statement of Total Return in the period during which the related services are rendered by employees.

(ii) Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are measured on an undiscounted basis and are recognised in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Stapled Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Stapled Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Stapled Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Stapled Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Stapled Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Stapled Group by the end of the lease term or the cost of the right-of-use assets reflects that the Stapled Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3.3.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Leases (continued)

(i) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Stapled Group's estimate of the amount expected to be payable under a residual value guarantee, if the Stapled Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform (see Note 3.6(iv)), the Stapled Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Short-term leases and leases of low-value assets

The Stapled Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Stapled Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Stapled Group has applied *COVID-19-Related Rent Concessions – Amendments to FRS 116/SFRS(I) 16*. The Stapled Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Stapled Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Stapled Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Stapled Group assesses whether there is a lease modification.

(ii) As a lessor

To classify each lease, the Stapled Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Stapled Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Stapled Group leases out its investment property, including own property and right-of-use assets. The Stapled Group has classified these leases as operating leases.

The Stapled Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of 'gross revenue'.

3.13 Revenue

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) Hotel revenue

Revenue from hotel operations is recognised when the accommodation and related services are rendered.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Revenue (continued)

(iii) Hospitality income

Hospitality income from operations is recognised on an accrual basis, upon rendering of the relevant services. Hospitality income includes fees from usage of the business centres and laundry facilities, recoveries from guests for utilities and telephone charges, income earned from the sales of food and beverages, service and maintenance fees, recoveries of property taxes and maintenance costs from tenants and fees for managing public areas as well as other miscellaneous income.

(iv) Car park income

For car parks which are leased to an external operator, car park income is recognised on a straight-line basis over the term of the lease. For other car parks, car park income is recognised on an accrual basis.

3.14 Expenses

(i) Direct expenses

Direct expenses consist of serviced residence management fees, property taxes, staff costs and other property outgoings where such expenses are the responsibility of the Stapled Group.

(ii) Trustee's fees

The REIT Trustee's fee and BT Trustee-Manager's trustee fee are recognised on an accrual basis using the applicable formula as stipulated in Note 1.1(i) and Note 1.1(iii) respectively.

(iii) REIT Manager's management fees

REIT Manager's management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(ii).

(iv) BT Trustee-Manager's management fees

BT Trustee-Manager's management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(iii).

(v) Serviced residence management fees

The serviced residence management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(iv).

3.15 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Stapled Group will comply with the conditions associated with the grant. Grants that compensate the Stapled Group for expenses incurred are recognised in the Statement of Total Return, net of its related expense, on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Finance income and finance costs

Finance income comprises interest income and is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings, and amortisation of loans and borrowings related costs. Finance costs are recognised in the Statement of Total Return using the effective interest method.

3.17 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Total Return except to the extent that it relates to a business combination, or items recognised directly in Stapled Securityholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Stapled Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Stapled Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

The Inland Revenue Authority of Singapore (the “IRAS”) has issued a tax ruling on the income tax treatment of CapitaLand Ascott REIT. Subject to compliance with the terms and conditions of the tax ruling, CapitaLand Ascott REIT is not subject to tax on the taxable income of CapitaLand Ascott REIT. Instead, the distributions made by CapitaLand Ascott REIT out of such taxable income are distributed free of tax deducted at source to individual Stapled Securityholders and qualifying Stapled Securityholders. Qualifying Stapled Securityholders are companies incorporated and tax resident in Singapore, Singapore branches of foreign companies that have obtained waiver from the IRAS from tax deducted at source in respect of the distributions from CapitaLand Ascott REIT, and bodies of persons registered or constituted in Singapore. This treatment is known as the tax transparency treatment.

The REIT Trustee will deduct tax at the reduced rate of 10% from distributions made out of CapitaLand Ascott REIT’s taxable income that is not taxed at CapitaLand Ascott REIT’s level to beneficial Stapled Securityholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and does not have a permanent establishment in Singapore. Where the non-individual investor carries on any operation in Singapore through a permanent establishment in Singapore, the funds used by that person to acquire the Stapled Securities cannot be obtained from that operation to qualify for the reduced tax rate.

For other types of Stapled Securityholders, the REIT Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by CapitaLand Ascott REIT. Such Stapled Securityholders are subject to tax on the regressed amounts of the distributions received but may claim a credit for the tax deducted at source by the REIT Trustee.

CapitaLand Ascott REIT will distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains, and net overseas income.

Net overseas income refers to the net profits (excluding any gains from the sale of property or shares, as the case may be) after applicable taxes and adjustment for non-cash items such as depreciation, derived by CapitaLand Ascott REIT from its properties located outside Singapore.

Distributions for the Stapled Group are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, the REIT Manager and the BT Trustee-Manager are required to pay distributions declared within 60 days of the end of each distribution period. Distributions, when paid, will be in Singapore Dollars.

3.18 Earnings per Stapled Security

The Stapled Group presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Securityholders by the weighted average number of Stapled Securities outstanding during the year. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Securityholders and the weighted average number of Stapled Securities outstanding, adjusted for the effects of all dilutive potential Stapled Securities.

Notes to the Financial Statements

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Segment reporting

An operating segment is a component of the Stapled Group that engages in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Stapled Group's other components. All operating segments' operating results are reviewed regularly by the REIT Manager's and the BT Trustee-Manager's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance costs, trust expenses and income tax expense.

Segment capital expenditure is the total costs incurred on investment properties, property, plant and equipment and investment properties under development during the year.

3.20 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs/SFRS(I)s, interpretations and amendments to FRSs/SFRS(I)s are not expected to have a significant impact on the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group's consolidated financial statements:

- *Insurance Contracts (FRS 104/SFRS(I) 17 and Amendments to FRS 104/SFRS(I) 17)*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1/SFRS(I) 1-1)*
- *Disclosure of Accounting Policies (Amendments to FRS 1/SFRS(I) 1-1 and FRS Practice Statement 2/SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8/SFRS(I) 1-8 Accounting Estimates)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12/SFRS(I) 1-12)*

Notes to the Financial Statements

Year ended 31 December 2022

4 INVESTMENT PROPERTIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January	5,882,709	5,253,374	515,117	548,447	6,297,854	5,687,743
Acquisition of investment properties (Note 40)	344,623	655,023	–	–	344,623	655,023
Capital expenditure	12,925	31,079	507	784	13,432	31,863
Disposal of subsidiaries (Note 34)	–	(79,647)	–	–	–	(79,647)
Net change in fair value of investment properties	58,751	113,305	(4,534)	4,993	42,254	123,554
Disposal of investment properties	–	(393)	–	–	–	(393)
Assets written off	(78)	(4)	–	–	(78)	(4)
Transfer to assets held for sale (Note 16)	–	(1,519)	–	–	–	(1,519)
Transfer from/(to) property, plant and equipment (Note 5)	111	13	–	–	(321,864)	13
Transfer from investment properties under development (Note 6)	125,908	–	–	–	125,908	–
Translation differences	(348,975)	(88,522)	(63,116)	(39,107)	(398,496)	(118,779)
At 31 December	6,075,974	5,882,709	447,974	515,117	6,103,633	6,297,854

Certain investment properties of the Stapled Group with an aggregate carrying value of \$2,678,052,000 (2021: \$2,065,838,000) are pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 18).

The master lease for Park Hotel Clarke Quay (currently known as Riverside Hotel Robertson Quay) was terminated and the Stapled Group took possession of the property in August 2021. It was operated by Ascott International Management Pte Ltd under a short-term management agreement.

From 1 October 2022, the property is leased by CapitaLand Ascott REIT's subsidiary to CapitaLand Ascott BT's subsidiary under a master lease arrangement. CapitaLand Ascott BT's subsidiary has separately entered into a hotel management agreement with Ascott International Management Pte Ltd for the management of the property as well as the rebranding and renovation of the property. The hotel management agreement is effective from 1 October 2022 and will continue for a period of 20 years from completion of rebranding and renovation.

Upon the signing of the hotel management agreement, the property is classified as property, plant and equipment instead of investment property in the Stapled Group's financial statements as it will be operated as a full facility hotel and the proportion of ancillary income is deemed significant.

The Stapled Group assessed the classification of its investment properties as investment properties or property, plant and equipment based on its business model, taking into consideration the quantum of other income derived from ancillary services rendered relative to total revenue and employment of external property managers to operate the investment properties, amongst other factors.

The investment properties of CapitaLand Ascott BT Group included a right-of-use asset relating to the operating lease for Sotetsu Grand Fresa Tokyo-Bay Ariake ("Ariake Hotel") on adoption of FRS 116/SFRS(I) 16. Ascendas Ariake Godo Kaisha ("AAGK"), a subsidiary of CapitaLand Ascott BT, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kaisha, a subsidiary of CapitaLand Ascott REIT. FRS 116/SFRS(I) 16 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Stapled Group as the intra-group transaction is eliminated upon consolidation.

Notes to the Financial Statements

Year ended 31 December 2022

4 INVESTMENT PROPERTIES (continued)

Measurement of fair value

Fair value hierarchy

The fair value of investment properties is determined by external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair value measurement for the investment properties have been categorised as level 3 fair values based on inputs to the valuation techniques used. The following table reconciles the net carrying value of the investment properties to the fair value.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value of investment properties	6,075,974	5,882,709	447,974	515,117	6,103,633	6,297,854
Less: Carrying amount of lease liabilities	(267,014)	(275,879)	(81,388)	(99,972)	(267,014)	(275,879)
Fair value of investment properties	5,808,960	5,606,830	366,586	415,145	5,836,619	6,021,975

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

Valuation technique

The Stapled Group's investment property portfolio is valued by external property valuers annually. External valuations are also carried out on occurrence of acquisitions. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The valuers have adopted the income capitalisation approach and considered valuation techniques including the discounted cash flow and direct capitalisation methods (2021: discounted cash flow and direct capitalisation methods) in arriving at the fair value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and revenue per available unit.

The valuation of the Stapled Group's investment property portfolio is discussed with the Audit Committee and Board of Directors in accordance with the Stapled Group's reporting policies.

Significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values of investment properties, as well as the significant unobservable inputs used.

Notes to the Financial Statements

Year ended 31 December 2022

4 INVESTMENT PROPERTIES (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flow method:</i> The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	Stapled Group - Discount rate: - South East Asia and Australia: 5.00% – 10.64% (2021: 5.00% – 10.50%) - North Asia: 3.30% – 6.00% (2021: 3.30% – 5.80%) - Europe and United Kingdom: 5.90% – 8.50% (2021: 5.42% – 8.25%) - United States of America: 8.00% – 8.75% (2021: 5.00% – 7.34%) - Terminal capitalisation rate: - South East Asia and Australia: 3.50% – 9.00% (2021: 3.50% – 7.25%) - North Asia: 3.60% – 5.25% (2021: 3.50% – 5.30%) - Europe and United Kingdom: 3.25% – 7.75% (2021: 4.90% – 8.00%) - United States of America: 6.00% – 6.25% (2021: 5.00% – 5.75%)	The estimated fair value would increase (decrease) if: - the discount rate were lower (higher); or - the terminal capitalisation rate were lower (higher).
<i>Direct capitalisation method:</i> The valuation method considers the net present value of the expected future operating income of the property and dividing them by the capitalisation rate. This method is applied to the student accommodation properties which have relatively stable operating histories and expectations.	Stapled Group - Capitalisation rate: - United States of America: 4.50% – 5.50% (2021: 4.25% – 5.00%)	The estimated fair value would increase (decrease) if the capitalisation rate were lower (higher).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's investment properties are discount rate, terminal capitalisation rate and capitalisation rate. Significant decreases in the discount rate, terminal capitalisation rate and capitalisation rate in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

Notes to the Financial Statements

Year ended 31 December 2022

5 PROPERTY, PLANT AND EQUIPMENT

CapitalLand Ascott REIT Group	Renovation \$'000	Motor vehicles \$'000	Office equipment, computers and furniture \$'000	Assets under construction \$'000	Total \$'000
Cost					
At 1 January 2021	12,731	510	97,202	1,093	111,536
Additions	173	–	2,650	729	3,552
Disposals/written off	–	–	(691)	(2)	(693)
Disposal of subsidiaries (Note 34)	(1,484)	–	–	–	(1,484)
Acquisition of investment properties	–	–	8,950	–	8,950
Transfer to investment properties (Note 4)	–	–	(13)	–	(13)
Reclassifications	–	–	276	(276)	–
Translation differences	(352)	84	1,198	4	934
At 31 December 2021	11,068	594	109,572	1,548	122,782
At 1 January 2022	11,068	594	109,572	1,548	122,782
Additions	165	–	9,262	1,420	10,847
Disposals/written off	–	–	(2,341)	–	(2,341)
Acquisition of investment properties (Note 40)	–	–	1,617	–	1,617
Transfer to investment properties (Note 4)	–	–	(111)	–	(111)
Reclassifications	(127)	–	1,788	(1,661)	–
Translation differences	(874)	(42)	(6,601)	(66)	(7,583)
At 31 December 2022	10,232	552	113,186	1,241	125,211
Accumulated depreciation					
At 1 January 2021	8,226	416	67,423	–	76,065
Charge for the year	715	46	9,733	–	10,494
Disposals/written off	–	–	(657)	–	(657)
Disposal of subsidiaries (Note 34)	(1,128)	–	–	–	(1,128)
Translation differences	(712)	27	1,504	–	819
At 31 December 2021	7,101	489	78,003	–	85,593
At 1 January 2022	7,101	489	78,003	–	85,593
Charge for the year	726	42	11,746	–	12,514
Disposals/written off	–	–	(1,985)	–	(1,985)
Reclassifications	(1)	–	1	–	–
Translation differences	(642)	(35)	(5,796)	–	(6,473)
At 31 December 2022	7,184	496	81,969	–	89,649
Carrying amounts					
At 1 January 2021	4,505	94	29,779	1,093	35,471
At 31 December 2021	3,967	105	31,569	1,548	37,189
At 31 December 2022	3,048	56	31,217	1,241	35,562

Notes to the Financial Statements

Year ended 31 December 2022

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	At Valuation	At Cost			Total \$'000
	Land and buildings \$'000	Plant and machinery \$'000	Office equipment, computers and furniture \$'000	Assets under construction \$'000	
CapitaLand Ascott BT Group					
At valuation/cost					
At 1 January 2021	518,663	41,129	17,876	3,908	581,576
Additions	487	461	116	1,046	2,110
Net change in revaluation recognised in Statement of Total Return	21,201	–	–	–	21,201
Net change in revaluation recognised in Stapled Securityholders' funds	4,400	–	–	–	4,400
Reclassifications	3,677	1	109	(3,787)	–
Translation differences	7,020	595	258	57	7,930
Elimination of accumulated depreciation on revaluation	(13,467)	–	–	–	(13,467)
At 31 December 2021	541,981	42,186	18,359	1,224	603,750
At 1 January 2022	541,981	42,186	18,359	1,224	603,750
Additions	1,075	226	92	247	1,640
Net change in revaluation recognised in Statement of Total Return	5,393	–	–	–	5,393
Net change in revaluation recognised in Stapled Securityholders' funds	54,088	–	–	–	54,088
Reclassifications	1,318	–	33	(1,351)	–
Translation differences	(55,914)	(3,877)	(1,690)	(113)	(61,594)
Elimination of accumulated depreciation on revaluation	(11,316)	–	–	–	(11,316)
At 31 December 2022	536,625	38,535	16,794	7	591,961
Accumulated depreciation					
At 1 January 2021	–	5,079	2,689	–	7,768
Charge for the year	13,627	5,388	3,135	–	22,150
Translation differences	(160)	(72)	(47)	–	(279)
Elimination of accumulated depreciation on revaluation	(13,467)	–	–	–	(13,467)
At 31 December 2021	–	10,395	5,777	–	16,172
At 1 January 2022	–	10,395	5,777	–	16,172
Charge for the year	14,760	4,557	2,763	–	22,080
Translation differences	(3,444)	(1,225)	(695)	–	(5,364)
Elimination of accumulated depreciation on revaluation	(11,316)	–	–	–	(11,316)
At 31 December 2022	–	13,727	7,845	–	21,572
Carrying amounts					
At 1 January 2021	518,663	36,050	15,187	3,908	573,808
At 31 December 2021	541,981	31,791	12,582	1,224	587,578
At 31 December 2022	536,625	24,808	8,949	7	570,389

Notes to the Financial Statements

Year ended 31 December 2022

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	At Valuation		At Cost				
	Land and buildings \$'000	Plant and machinery \$'000	Renovation \$'000	Motor vehicles \$'000	Office equipment, computers and furniture \$'000	Assets under construction \$'000	Total \$'000
Stapled Group							
At valuation/cost							
At 1 January 2021	518,663	41,129	12,731	510	115,078	5,001	693,112
Additions	487	461	173	–	2,766	1,775	5,662
Disposals/written off	–	–	–	–	(691)	(2)	(693)
Net change in revaluation recognised in Statement of Total Return	21,201	–	–	–	–	–	21,201
Net change in revaluation recognised in Stapled Securityholders' funds	4,400	–	–	–	–	–	4,400
Reclassifications	3,677	1	–	–	385	(4,063)	–
Disposal of subsidiaries (Note 34)	–	–	(1,484)	–	–	–	(1,484)
Acquisition of investment properties	–	–	–	–	8,950	–	8,950
Transfer to investment properties (Note 4)	–	–	–	–	(13)	–	(13)
Translation differences	7,020	595	(352)	84	1,456	61	8,864
Elimination of accumulated depreciation on revaluation	(13,467)	–	–	–	–	–	(13,467)
At 31 December 2021	541,981	42,186	11,068	594	127,931	2,772	726,532
At 1 January 2022							
Additions	541,981	42,186	11,068	594	127,931	2,772	726,532
Disposals/written off	1,075	226	165	–	9,354	1,667	12,487
Net change in revaluation recognised in Statement of Total Return	–	–	–	–	(2,341)	–	(2,341)
Net change in revaluation recognised in Stapled Securityholders' funds	5,393	–	–	–	–	–	5,393
Reclassifications	72,219	–	–	–	–	–	72,219
Acquisition of investment properties (Note 40)	1,318	–	(127)	–	1,821	(3,012)	–
Transfer from/(to) investment properties (Note 4)	–	–	–	–	1,617	–	1,617
Translation differences	321,975	–	–	–	(111)	–	321,864
Elimination of accumulated depreciation on revaluation	(55,914)	(3,877)	(874)	(42)	(8,291)	(179)	(69,177)
At 31 December 2022	(875,552)	38,535	10,232	552	129,980	1,248	1,056,099

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Year ended 31 December 2022

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	At Valuation		At Cost				
	Land and buildings	Plant and machinery	Renovation	Motor vehicles	Office equipment computers and furniture	Assets under construction	Total
Stapled Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation							
At 1 January 2021	–	5,079	8,226	416	70,112	–	83,833
Charge for the year	13,627	5,388	715	46	12,868	–	32,644
Disposals/written off	–	–	–	–	(657)	–	(657)
Disposal of subsidiaries (Note 34)	–	–	(1,128)	–	–	–	(1,128)
Translation differences	(160)	(72)	(712)	27	1,457	–	540
Elimination of accumulated depreciation on revaluation	(13,467)	–	–	–	–	–	(13,467)
At 31 December 2021	–	10,395	7,101	489	83,780	–	101,765
At 1 January 2022	–	10,395	7,101	489	83,780	–	101,765
Charge for the year	15,939	4,557	726	42	14,509	–	35,773
Disposals/written off	–	–	–	–	(1,985)	–	(1,985)
Reclassifications	–	–	(1)	–	1	–	–
Translation differences	(3,444)	(1,225)	(642)	(35)	(6,491)	–	(11,837)
Elimination of accumulated depreciation on revaluation	(12,495)	–	–	–	–	–	(12,495)
At 31 December 2022	–	13,727	7,184	496	89,814	–	111,221
Carrying amounts							
At 1 January 2021	518,663	36,050	4,505	94	44,966	5,001	609,279
At 31 December 2021	541,981	31,791	3,967	105	44,151	2,772	624,767
At 31 December 2022	875,552	24,808	3,048	56	40,166	1,248	944,878

Notes to the Financial Statements

Year ended 31 December 2022

5 PROPERTY, PLANT AND EQUIPMENT (continued)

For each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	CapitalLand Ascott BT Group		Stapled Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Land and buildings				
Cost and carrying amount	508,198	557,106	828,994	557,106

As at 31 December 2022, land and buildings are revalued to their fair values. The fair value of the land and buildings is determined by external property valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued.

Fair value hierarchy

The fair value measurement for the land and buildings have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Valuation technique and significant unobservable inputs

Land and buildings are stated at fair value based on valuation performed by external property valuers. The fair values were derived based on the discounted cash flow method (2021: discounted cash flow method). In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of land and buildings include market-corroborated discount rate, terminal capitalisation rate and revenue per available unit.

The valuation of the Stapled Group's land and buildings is discussed with the Audit Committee and Board of Directors in accordance with the Stapled Group's reporting policies.

The following table shows the significant unobservable inputs used in the valuation models:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flow method</i>	Stapled Group - Discount rate: Australia: 7.50% – 8.60% (2021: 6.00% – 7.50%) - Terminal capitalisation rate: Australia: 5.25% – 6.25% (2021: 5.00% – 6.00%) - Discount rate: Singapore: 5.00% (2021: Nil) - Terminal capitalisation rate: Singapore: 3.50% (2021: Nil)	The estimated fair value would increase (decrease) if: - the discount rate were lower (higher); or - the terminal capitalisation rate were lower (higher).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's land and buildings are discount rate and terminal capitalisation rate. Significant decreases in the discount rate and terminal capitalisation rate in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

Notes to the Financial Statements

Year ended 31 December 2022

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
At 1 January	302,863	229,900
Acquisition of investment properties under development (Note 40)	103,735	–
Development costs and interest capitalised ⁽¹⁾	25,217	70,459
Transfer to investment properties (Note 4)	(125,908)	–
Net change in fair value of investment properties under development	80,082	2,504
Translation differences	(282)	–
At 31 December	385,707	302,863

(1) Capitalised costs included \$1,640,000 (31 December 2021: \$190,000) paid/payable to related corporations and borrowing costs of \$68,000 (31 December 2021: \$499,000).

Standard at Columbia, with a carrying value of \$128,707,000 (31 December 2021: Nil), is pledged as security to the bank (Note 18).

Fair value hierarchy

The fair value of investment properties under development is determined by external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The fair value measurement for the investment properties under development have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

Valuation technique and significant unobservable inputs

Investment properties under development is stated at fair value based on valuation performed by external property valuers. In determining the fair value, the valuers have adopted the residual land value method. The key assumptions used to determine the fair value of investment properties under development include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and gross development costs.

The valuation of the Stapled Group's investment property under development portfolio is discussed with the Audit Committee and Board of Directors in accordance with the Stapled Group's reporting policies.

Notes to the Financial Statements

Year ended 31 December 2022

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT (continued)

The following table shows the significant unobservable inputs used in the valuation models:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Under the residual land value method, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of the valuation.	Stapled Group - Discount rates: Singapore 4.80% (2021: 5.00% – 6.40%) - Terminal capitalisation rates: Singapore 3.25% (2021: 3.50% – 4.88%) - Gross development costs: Singapore \$134,167,000 (2021: \$51,170,000 – \$134,373,000) - Capitalisation rates: United States of America 4.75% (2021: Nil) - Gross development costs: United States of America \$131,281,000 (2021: Nil)	The estimated fair value would increase (decrease) if: - the discount rates were lower (higher); - the terminal capitalisation rates were lower (higher); or - the gross development costs decrease (increase).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's investment properties under development are discount rate, terminal capitalisation rate, capitalisation rate and gross development costs. Significant decreases in the discount rate, terminal capitalisation rate, capitalisation rate and gross development costs in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

Notes to the Financial Statements

Year ended 31 December 2022

7 INVESTMENT SECURITIES

CapitaLand Ascott REIT Group holds 1% interest in Ascendas Hospitality Australia Investment Fund No. 1 ("AHAIF1"). The CapitaLand Ascott REIT Group's ownership in AHAIF1 enables AHAIF1 to meet the Australian corporate law requirement for a Managed Investment Scheme and certain requirements to qualify as a Managed Investment Trust under the Australian tax law. AHAIF1 owns 100% equity interest in Ascendas Australia Hotel Trust, which owns the hotel properties in Australia. Investments in unquoted investment securities are measured at fair value with change in fair value recognised in the Statement of Total Return.

As at 31 December 2022, the fair value of the CapitaLand Ascott REIT Group's 1% interest in AHAIF1 is \$2,416,000 (2021: \$2,163,000). The effective interest held by the Stapled Group is 100%. Upon consolidation, the investment securities will be adjusted against the non-controlling interests of the CapitaLand Ascott BT Group.

8 GOODWILL

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Goodwill arising from business combination	60,866	60,866	79,233	79,233	140,099	140,099
Less: Impairment loss	(60,866)	(60,866)	(79,233)	(79,233)	(140,099)	(140,099)
	-	-	-	-	-	-

For the purposes of impairment testing, goodwill has been allocated to the CGUs as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A-HREIT Group	60,866	60,866	-	-	60,866	60,866
A-HBT Group	-	-	79,233	79,233	79,233	79,233
	60,866	60,866	79,233	79,233	140,099	140,099

In 2019, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group assessed the carrying amount of the CGUs (inclusive of goodwill allocated) for indicators of impairment. The recoverable amount of each CGU is determined based on their respective fair value less costs to sell, which is estimated to approximate the fair value of net assets of Ascendas Hospitality Real Estate Investment Trust ("A-HREIT") and its subsidiaries (the "A-HREIT Group") and Ascendas Hospitality Business Trust ("A-HBT") and its subsidiaries (the "A-HBT Group") acquired on 31 December 2019. Based on the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's assessment, the carrying amounts of the CGUs (inclusive of goodwill allocated) were determined to be higher than its recoverable amount, and impairment loss of \$60,866,000, \$79,233,000 and \$140,099,000 (2021: \$60,866,000, \$79,233,000 and \$140,099,000) were recognised respectively.

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Year ended 31 December 2022

9 SUBSIDIARIES

The CapitalLand Ascott REIT Group and the CapitalLand Ascott BT Group have equity investments in subsidiaries.

Details of the significant subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group	
		2022	2021
		%	%
Held by CapitalLand Ascott REIT			
Ascott REIT MTN Pte. Ltd.	Singapore	100	100
Ascott REIT MTN (Euro) Pte. Ltd.	Singapore	100	100
Ascendas Hospitality Real Estate Investment Trust	Singapore	100	100
Held through CapitalLand Ascott REIT subsidiaries			
Ascendas Hospitality MTN Pte. Ltd.	Singapore	100	100
Ascott REIT Cannon Hill Trust ^(c)	Australia	100	–
Ascott REIT Seven Campbelltown Trust ^(a)	Australia	100	100
Ascott REIT Eight Mascot Trust ^(a)	Australia	100	100
Ascott REIT Nine SOP Trust ^(a)	Australia	100	100
Ascott REIT Fourteen MP Unit Trust ^(a)	Australia	100	100
Citadines Melbourne on Bourke Unit Trust ^(a)	Australia	100	100
Citadines St Georges Terrace (Perth) Unit Trust ^(a)	Australia	100	100
Citadines Connect Sydney Airport Unit Trust ^(a)	Australia	100	100
Somerset Heping (Shenyang) Property Co., Ltd. ^(a)	China	100	100
Suzhou Chong Rui Xin Shi Ji Real Estate Co., Ltd. ^(a)	China	100	100
Tianjin Consco Property Development Co., Ltd. ^(a)	China	100	100
Wangze (Dalian) Enterprise Co., Limited ^(a)	China	100	100
Wuhan Citadines Property Development Co., Ltd. ^(a)	China	100	100
Ascott Kleber SNC ^(c)	France	100	–
Orville SAS ^(a)	France	100	100
Citadines Munich Arnulfpark GmbH & Co. KG ^(b)	Germany	100	100
Citadines Europaviertel (Frankfurt) GmbH & Co., KG ^(b)	Germany	93	93
Citadines Hamburg Michel GmbH & Co., KG ^(b)	Germany	93	93
PT Bumi Perkasa Andhika ^(a)	Indonesia	100	100
PT Ciputra Liang Court ^(a)	Indonesia	57	57
ARC-CapitaLand Three TMK ^(a)	Japan	100	100
ARC-CapitaLand Four TMK ^(a)	Japan	100	100
Ascendas Hospitality Honmachi Tokutei Mokuteki Kaisha ^(a)	Japan	100	100
Ascendas Hospitality Tokutei Mokuteki Kaisha ^(a)	Japan	100	100
Citadines Central Shinjuku TMK ^(a)	Japan	100	100
Citadines Kyoto Gojo TMK ^(a)	Japan	100	100
Citadines Shinjuku TMK ^(a)	Japan	100	100
Crystal Residence TMK ^(a)	Japan	100	100
Infini Garden TMK ^(a)	Japan	100	100
Sapphire Residence TMK ^(a)	Japan	100	100
Somerset Roppongi TMK ^(a)	Japan	100	100
Ascott REIT (Jersey) Limited ^(b)	United Kingdom/ Jersey	100	100
Somerset Ampang (Malaysia) Sdn. Bhd. ^(a)	Malaysia	100	100

Notes to the Financial Statements

Year ended 31 December 2022

9 SUBSIDIARIES (continued)

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group	
		2022 %	2021 %
Held through CapitaLand Ascott REIT subsidiaries (continued)			
Ascott Baumwall (Hamburg) BV ^(b)	Netherlands	100	100
Ascott Hospitality Holdings Philippines, Inc ^(a)	Philippines	100	100
Ascott Makati, Inc ^(a)	Philippines	100	100
SQ Resources, Inc ^(a)	Philippines	63	63
SN Resources, Inc ^(a)	Philippines	97	97
Barrydale SM LLC ^(b)	United States of America	100	100
SM Ascott LLC ^(b)	United States of America	100	100
Tribeca Ascott LLC ^(b)	United States of America	100	100
Columbia Student Property Owner, LLC ^(a)	United States of America	90	–
GT Student SM LLC ^(b)	United States of America	100	100
Kent ST SM LLC ^(b)	United States of America	100	100
NCST LP ^(b)	United States of America	100	100
PHL UC SM LLC ^(b)	United States of America	100	100
TTU Student SM LLC ^(b)	United States of America	100	100
UIUC 707 Student SM LLC ^(b)	United States of America	100	100
UNCW LP ^(b)	United States of America	100	100
Hanoi Tower Center Company Limited ^(a)	Vietnam	76	76
Mekong-Hacota Joint Venture Company Limited ^(a)	Vietnam	59	60
Saigon Office and Serviced Apartment Company Limited ^(a)	Vietnam	67	67
Somerset Hoa Binh Joint Venture Company Limited ^(a)	Vietnam	90	90
Somerset Central TD Company Limited ^(a)	Vietnam	100	–
Held through CapitaLand Ascott BT			
Ascendas Hospitality Business Trust	Singapore	100	100
Held through CapitaLand Ascott BT subsidiaries			
Ascendas Australia Hotel Trust ^(a)	Australia	100	100
Ascendas Hospitality Australia Investment Fund No.1 ^(b)	Australia	100	100
Ascendas Hospitality Australia Investment Fund No.2 ^(b)	Australia	100	100
Ascendas Hospitality Operations Pty Ltd ^(a)	Australia	100	100
Ascendas Hotel Investment Company Pty Limited ^(a)	Australia	100	100
Ascendas Japan Namba Tokutei Mokuteki Kaisha ^(a)	Japan	100	100
CapitaLand Korea Hospitality No.6 Qualified Private Real Estate Investment LLC ^(b)	South Korea	99	99
CapitaLand Korea Hospitality Qualified Private Real Estate Investment Trust No.7 ^(b)	South Korea	99	99

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

- (a) Audited by other member firms of KPMG International.
- (b) Not required to be audited by laws of country of incorporation.
- (c) The subsidiaries were incorporated / acquired during the year.

Notes to the Financial Statements

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10 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI") and operate investment properties.

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2022 %	2021 %
Held by CapitaLand Ascott REIT			
PT Ciputra Liang Court	Indonesia	42.6	42.6
Columbia Student Venture LLC Group	United States of America	10.0	–
Hanoi Tower Center Company Limited	Vietnam	24.0	24.0
Mekong-Hacota Joint Venture Company Limited	Vietnam	40.5	39.6
Saigon Office and Serviced Apartment Company Limited	Vietnam	33.0	33.0
Somerset Hoa Binh Joint Venture Company Limited	Vietnam	10.0	10.0

The CapitaLand Ascott REIT Group's interests in its subsidiaries in Vietnam are held under the terms of joint venture arrangements with unrelated third parties. Under the terms of these joint venture arrangements, the net profits of each of the subsidiaries in Vietnam, upon fulfilment of certain statutory financial obligations and the payment of other amounts due, are to be distributed to the shareholders of these subsidiaries in certain proportions during different periods in accordance with the terms of the relevant joint venture arrangements and/or the applicable investment license under which these subsidiaries operate.

Under the investment license of Hanoi Tower Center Company Limited, Burton Engineering Pte Ltd is entitled to 76%, 70% and 50% of the distributed profits for each year during the first 25 years, the following ten years and the subsequent ten years, respectively, from the commencement of operations of Hanoi Tower Center Company Limited. From 9 February 2018, profits attributable to NCI of Hanoi Tower Center Company Limited increased from 24% to 30%.

Under the investment license of Saigon Office and Serviced Apartment Company Limited, East Australia Trading Company (S) Pte Ltd is entitled to 67%, 60% and 40% of the distributed profits for each year prior to the repayment of its capital bank loan, after the repayment of its capital bank loan and after 31 years from the commencement of operations of Saigon Office and Serviced Apartment Company Limited respectively. From 28 February 2022, profits attributable to NCI of Saigon Office and Serviced Apartment Company Limited increased from 33% to 40%.

Notes to the Financial Statements

Year ended 31 December 2022

10 NON-CONTROLLING INTERESTS (continued)

The following summarises the financial information of each of the CapitalLand Ascott REIT Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRSS/SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

CapitalLand Ascott REIT Group	PT Ciputra Liang Court \$'000	Columbia Student Venture LLC Group \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries Total \$'000
2022							
Revenue	5,490	–	11,108	6,509	7,123	2,584	
Profit/(Loss)	1,963	13,226	(747)	883	1,465	(2,889)	
Attributable to NCI:							
– Profit/(Loss)	836	1,323	(224)	350	579	(289)	268
Non-current assets	39,065	128,167	85,721	36,423	46,456	30,856	
Current assets	3,098	1,030	2,778	1,308	3,483	1,448	
Non-current liabilities	(882)	(45,089)	(3,503)	–	–	–	
Current liabilities	(2,262)	(13,547)	(2,457)	(1,751)	(2,240)	(9,717)	
Net assets	39,019	70,561	82,539	35,980	47,699	22,587	
Net assets attributable to NCI	16,611	7,056	19,809	14,558	15,741	2,259	5,412
							81,446
Cash flows from operating activities	1,024	98	6,353	3,118	3,834	645	
Cash flows from/(used in) investing activities	27	(5,901)	(100)	(52)	41	(111)	
Cash flows from/(used in) financing activities	–	5,901	(5,125)	(2,608)	(8,055)	(336)	
Net increase/(decrease) in cash and cash equivalents	1,051	98	1,128	458	(4,180)	198	
Dividends paid to NCI	–	–	(947)	(139)	(706)	–	

Notes to the Financial Statements

Year ended 31 December 2022

10 NON-CONTROLLING INTERESTS (continued)

CapitaLand Ascott REIT Group	PT Ciputra Liang Court \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
2021							
Revenue	4,293	8,782	3,703	5,693	2,620		
Profit/(Loss)	1,484	626	(583)	564	(782)		
Attributable to NCI:							
– Profit/(Loss)	632	188	(226)	186	(78)	370	1,072
Non-current assets	41,136	98,828	40,200	50,602	34,914		
Current assets	2,891	1,897	681	8,143	1,305		
Non-current liabilities	(947)	(4,690)	–	–	–		
Current liabilities	(3,322)	(4,149)	(3,547)	(8,279)	(9,478)		
Net assets	39,758	91,886	37,334	50,466	26,741		
Net assets attributable to NCI	16,925	22,053	14,784	16,654	2,674	5,726	78,816
Cash flows (used in)/from operating activities	(1,514)	4,565	1,764	2,773	708		
Cash flows from/(used in) investing activities	794	(25)	(136)	327	(44)		
Cash flows used in financing activities	–	(6,220)	(1,792)	(3,616)	(160)		
Net (decrease)/increase in cash and cash equivalents	(720)	(1,680)	(164)	(516)	504		
Dividends paid to NCI	–	–	–	(784)	–		

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10 NON-CONTROLLING INTERESTS (continued)

The NCI of the CapitalLand Ascott BT Group is immaterial as at 31 December 2022 and 2021, and therefore, the financial information is not presented.

The following summarises the financial information of each of the Stapled Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRSS/SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

Stapled Group	PT Ciputra Liang Court \$'000	Columbia Student Venture LLC Group \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
2022								
Revenue	5,490	–	11,108	6,509	7,123	2,584		
Profit/(Loss)	1,963	13,226	(747)	883	1,465	(2,889)		
Attributable to NCI:								
– Profit/(Loss)	836	1,323	(224)	350	579	(289)	340	2,915
Non-current assets	39,065	128,167	85,721	36,423	46,456	30,856		
Current assets	3,098	1,030	2,778	1,308	3,483	1,448		
Non-current liabilities	(882)	(45,089)	(3,503)	–	–	–		
Current liabilities	(2,262)	(13,547)	(2,457)	(1,751)	(2,240)	(9,717)		
Net assets	39,019	70,561	82,539	35,980	47,699	22,587		
Net assets attributable to NCI	16,611	7,056	19,809	14,558	15,741	2,259	7,027	83,061
Cash flows from operating activities	1,024	98	6,353	3,118	3,834	645		
Cash flows from/(used in) investing activities	27	(5,901)	(100)	(52)	41	(111)		
Cash flows from/(used in) financing activities	–	5,901	(5,125)	(2,608)	(8,055)	(336)		
Net increase/(decrease) in cash and cash equivalents	1,051	98	1,128	458	(4,180)	198		
Dividends paid to NCI	–	–	(947)	(139)	(706)	–		

Notes to the Financial Statements

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10 NON-CONTROLLING INTERESTS (continued)

	PT Ciputra Liang Court \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
Stapled Group							
2021							
Revenue	4,293	8,782	3,703	5,693	2,620		
Profit/(Loss)	1,484	626	(583)	564	(782)		
Attributable to NCI:							
– Profit/(Loss)	632	188	(226)	186	(78)	398	1,100
Non-current assets	41,136	98,828	40,200	50,602	34,914		
Current assets	2,891	1,897	681	8,143	1,305		
Non-current liabilities	(947)	(4,690)	–	–	–		
Current liabilities	(3,322)	(4,149)	(3,547)	(8,279)	(9,478)		
Net assets	39,758	91,886	37,334	50,466	26,741		
Net assets attributable to NCI	16,925	22,053	14,784	16,654	2,674	7,471	80,561
Cash flows (used in)/from operating activities	(1,514)	4,565	1,764	2,773	708		
Cash flows from/(used in) investing activities	794	(25)	(136)	327	(44)		
Cash flows used in financing activities	–	(6,220)	(1,792)	(3,616)	(160)		
Net (decrease)/increase in cash and cash equivalents	(720)	(1,680)	(164)	(516)	504		
Dividends paid to NCI	–	–	–	(784)	–		

Notes to the Financial Statements

Year ended 31 December 2022

11 ASSOCIATE

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
Unquoted equity shares, at cost	—*	—*
Less: Share of associate post acquisition revenue reserve	(550)	(523)
	(550)	(523)
Loan receivable	3,838	3,789
Less: Allowance for impairment loss	(253)	(253)
	3,035	3,013

* Less than \$1,000

The loan to associate is unsecured, interest-free and repayable on demand with a notice period of twelve months. The loan to associate is not expected to be recalled in the next twelve months.

Movement in allowance for impairment loss is as follows:

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
At 1 January and 31 December	253	253

During the year, there was no additional allowance for impairment loss arising from the loan receivable as the ECL is not material. The recoverable amount for the loan to associate was estimated based on the higher of the value in use calculation using cash flow projection and the fair value of the net assets of associate at the reporting date. The fair value measurement was estimated based on net assets of the associate with maturity of less than one year.

Details of the associate are as follows:

Company name	East Australia Trading Company Limited
Nature of relationship with the CapitaLand Ascott REIT Group	Investment holding company held by the CapitaLand Ascott REIT Group
Country of incorporation	Hong Kong
Ownership interest/Voting rights held	40% (2021: 40%)

The associate is immaterial to the CapitaLand Ascott REIT Group and the Stapled Group. A member firm of KPMG International is the auditor of the associate. In 2022 and 2021, the CapitaLand Ascott REIT Group did not receive any dividends from the associate.

The following table summarises the financial information for the interest in the associate, based on the amounts reported in the CapitaLand Ascott REIT Group's and the Stapled Group's Statement of Total Return:

	2022	2021
	\$'000	\$'000
Loss after taxation	(27)	(28)

Notes to the Financial Statements

Year ended 31 December 2022

12 JOINT VENTURE

	CapitalLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
Investment in joint venture	-	-*
Less: Share of joint venture post acquisition revenue reserve	-	(211)
	-	(211)
Loan to joint venture	-	14,011
	-	13,800

* Less than \$1,000

Loan to joint venture is unsecured, interest-free and is not expected to be repaid in the next twelve months from the reporting date.

Details of the joint venture are as follows:

Name of joint venture	Principal place of business/Country of incorporation	Effective interests held by the Stapled Group	
		2022	2021
		%	%
Held through CapitalLand Ascott REIT subsidiaries			
Columbia PBSA Venture Pte. Ltd.	Singapore	-	50.0
Held by Columbia PBSA Venture Pte. Ltd.			
Columbia Student Venture REIT LLC ^(a)	United States of America	-	50.0
Columbia Student Venture, LLC ^(a)	United States of America	-	45.0
Columbia Student Property Owner, LLC ^(a)	United States of America	-	45.0

(a) Not required to be audited by laws of country of incorporation.

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Year ended 31 December 2022

12 JOINT VENTURE (continued)

On 16 June 2021, CLAS announced a joint investment to develop a freehold 678-bed student accommodation property located in South Carolina, USA with The Ascott Limited ("TAL"). Construction of the student accommodation property has commenced in third quarter of 2021 and is scheduled to complete in second quarter of 2023. At the initial stage, CLAS and TAL will jointly invest in the asset to own 45% stake each. LMP Columbia Co-Dev, LLC, an unrelated third party, will hold the remaining 10% stake.

There is a put and call option for the remaining stake of 10% exercisable by either party after the property achieves certain performance conditions and 24 months after completion of the development. This commitment has not been recognised in the Stapled Group's consolidated financial statements until the development project is completed and stabilisation conditions are fulfilled.

On 30 November 2022, the CapitaLand Ascott REIT Group acquired an additional 45% effective interest in the property, Standard at Columbia, through the acquisition of 50% of the issued shares in Columbia PBSA Venture Pte. Ltd. from TAL.

Prior to November 2022, the CapitaLand Ascott REIT Group equity accounted for Columbia PBSA Venture Pte. Ltd. as a joint venture as TAL has joint control over the activities of the development of the student accommodation asset. With effect from November 2022, the CapitaLand Ascott REIT Group consolidated the Columbia PBSA Venture Pte. Ltd. and its subsidiaries as it has control through its 100% interest in Columbia PBSA Venture Pte. Ltd..

The change in control is accounted for using the acquisition method, and the CapitaLand Ascott REIT Group's previously held equity interest is re-measured to fair value. The fair value of the joint venture was based on external valuation of Standard at Columbia at date of acquisition.

Details on the acquisition of Columbia PBSA Venture Pte. Ltd. and its subsidiaries are set out in Note 40.

The following table summarises the financial information of the joint venture, based on its financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

	2021 \$'000
Revenue	–
Loss after tax and total comprehensive income	<u>(425)</u>
Non-current assets	36,078
Current assets ⁽¹⁾	313
Non-current liabilities	(28,022)
Current liabilities	(5,351)
Net assets	<u>3,018</u>
Carrying amount of interest in joint venture at beginning of the year	–
Acquisition during the year	14,011
Share of loss after tax and total comprehensive income	(211)
Translation and other adjustments	–
Carrying amount of interest in joint venture at end of the year	<u>13,800</u>

(1) Includes cash and cash equivalents of \$313,000.

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Year ended 31 December 2022

13 FINANCIAL DERIVATIVES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial derivative assets						
Non-current						
Interest rate swaps	30,933	1,995	–	1,097	30,933	3,092
Cross currency interest rate swaps	39,009	16,819	–	–	39,009	16,819
	69,942	18,814	–	1,097	69,942	19,911
Current						
Interest rate swaps	1,001	–	3,024	–	4,025	–
Cross currency interest rate swaps	20,462	536	–	10,312	20,462	10,848
	21,463	536	3,024	10,312	24,487	10,848
Financial derivative liabilities						
Non-current						
Interest rate swaps	–	(1,100)	–	–	–	(1,100)
Cross currency interest rate swaps	(6,939)	–	–	–	(6,939)	–
	(6,939)	(1,100)	–	–	(6,939)	(1,100)
Current						
Interest rate swaps	(5)	(728)	–	–	(5)	(728)
Cross currency interest rate swaps	–	–	(810)	–	(810)	–
	(5)	(728)	(810)	–	(815)	(728)

At the reporting date, the notional principal amounts of the financial instruments were as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate swaps	456,560	437,088	130,906	144,160	587,466	581,248
Cross currency interest rate swaps	745,039	579,155	34,817	117,719	779,856	696,874
	1,201,599	1,016,243	165,723	261,879	1,367,322	1,278,122

Notes to the Financial Statements

Year ended 31 December 2022

14 DEFERRED TAX

Movements in deferred tax assets and liabilities are as follows:

	At 1 January 2021 \$'000	Credited/ (Charged) to Statement of Total Return (Note 31) \$'000	Translation differences \$'000	31 December 2021 \$'000	At 31 December 2021 \$'000	Credited/ (Charged) to Statement of Total Return (Note 31) \$'000	Translation differences \$'000	31 December 2022 \$'000	At 31 December 2022 \$'000
CapitalLand Ascott REIT Group									
Deferred tax assets									
Unutilised capital allowances	16	22	–	38	379	(23)		394	
Unutilised tax losses	2,690	340	(94)	2,936	3,668	(366)		6,238	
Provisions and accruals	197	(91)	(7)	99	20	(12)		107	
Unrealised foreign exchange loss – trade	124	(22)	(4)	98	4,173	(272)		3,999	
	3,027	249	(105)	3,171	8,240	(673)		10,738	
Deferred tax liabilities									
Investment properties	(95,273)	(16,160)	2,877	(108,556)	(19,678)	8,306		(119,928)	
Property, plant and equipment	(1,585)	145	(38)	(1,478)	1,245	90		(143)	
Revaluation gain from business combinations	(1,288)	–	–	(1,288)	–	–		(1,288)	
Accrued income and interest receivable	–	(129)	(4)	(133)	71	(4)		(66)	
	(98,146)	(16,144)	2,835	(111,455)	(18,362)	8,392		(121,425)	
Net deferred tax (liabilities)/assets	(95,119)	(15,895)	2,730	(108,284)	(10,122)	7,719		(110,687)	

Notes to the Financial Statements

Year ended 31 December 2022

14 DEFERRED TAX (continued)

	At 1 January 2021 \$'000	Credited/ (Charged) to Statement of Total Return (Note 31) \$'000	Charged to Stapled Securityholders' funds \$'000	Translation differences \$'000	31 December 2021 \$'000	Credited/ (Charged) to Statement of Total Return (Note 31) \$'000	Charged to Stapled Securityholders' funds \$'000	Translation differences \$'000	31 December 2022 \$'000
CapitalLand Ascott BT Group									
Deferred tax assets									
Deferred income	728	(601)	-	27	154	-	-	(14)	140
Unutilised capital allowances	125	86	-	(1)	210	-	-	(19)	191
Provisions and accruals	2,582	1,461	-	(2)	4,041	145	-	(380)	3,806
	3,435	946	-	24	4,405	145	-	(413)	4,137
Deferred tax liabilities									
Investment properties	(7,365)	(553)	-	603	(7,315)	(545)	-	1,029	(6,831)
Property, plant and equipment	(23,026)	(3,470)	(684)	(260)	(27,440)	(591)	(4,361)	3,071	(29,321)
Revaluation gain from business combinations	(2,780)	-	-	-	(2,780)	-	-	-	(2,780)
Unremitted earnings	(440)	(355)	-	-	(795)	268	-	1	(526)
	(33,611)	(4,378)	(684)	343	(38,330)	(868)	(4,361)	4,101	(39,458)
Net deferred tax (liabilities)/assets	(30,176)	(3,432)	(684)	367	(33,925)	(723)	(4,361)	3,688	(35,321)

Notes to the Financial Statements

Year ended 31 December 2022

14 DEFERRED TAX (continued)

	At 1 January 2021 \$'000	Credited/ (Charged) to Statement of Total Return (Note 31) \$'000	Charged to Stapled Securityholders' funds \$'000	Translation differences \$'000	At 31 December 2021 \$'000	Credited/ (Charged) to Statement of Total Return (Note 31) \$'000	Charged to Stapled Securityholders' funds \$'000	Translation differences \$'000	At 31 December 2022 \$'000
Stapled Group									
Deferred tax assets									
Deferred income	728	(601)	-	27	154	-	-	(14)	140
Unutilised capital allowances	141	108	-	(1)	248	379	-	(42)	585
Unutilised tax losses	2,690	340	-	(94)	2,936	3,668	-	(366)	6,238
Provisions and accruals	2,779	1,370	-	(9)	4,140	165	-	(392)	3,913
Unrealised foreign exchange loss – trade	124	(22)	-	(4)	98	4,173	-	(272)	3,999
	6,462	1,195	-	(81)	7,576	8,385	-	(1,086)	14,875
Deferred tax liabilities									
Investment properties	(102,638)	(16,713)	-	3,480	(115,871)	(20,223)	-	9,335	(126,759)
Property, plant and equipment	(24,611)	(3,325)	(684)	(298)	(28,918)	654	(4,361)	3,161	(29,464)
Revaluation gain from business combinations	(4,068)	-	-	-	(4,068)	-	-	-	(4,068)
Unremitted earnings	(440)	(355)	-	-	(795)	268	-	1	(526)
Accrued income and interest receivable	-	(129)	-	(4)	(133)	71	-	(4)	(66)
	(131,757)	(20,522)	(684)	3,178	(149,785)	(19,230)	(4,361)	12,493	(160,883)
Net deferred tax (liabilities)/assets	(125,295)	(19,327)	(684)	3,097	(142,209)	(10,845)	(4,361)	11,407	(146,008)

Notes to the Financial Statements

Year ended 31 December 2022

14 DEFERRED TAX (continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the Statements of Financial Position as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	10,738	3,171	4,137	4,405	14,875	7,576
Deferred tax liabilities	(121,425)	(111,455)	(39,458)	(38,330)	(160,883)	(149,785)

As at 31 December 2022, deferred tax liabilities amounting to \$7,981,000 (2021: \$1,594,000) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group can utilise the benefits therefrom:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Tax losses	195,511	183,717	36,246	44,725	231,757	228,442
Deductible temporary differences	5,974	2,980	–	–	5,974	2,980
	201,485	186,697	36,246	44,725	237,731	231,422

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The deductible temporary differences do not expire under the current tax legislation.

Unrecognised tax losses brought forward of the Stapled Group amounting to \$7,345,000 (2021: \$8,337,000) expired during the year. In addition, \$20,900,000 (2021: \$838,000) of the losses brought forward were utilised to set off against current year's taxable profit. The remaining balance of \$200,197,000 (2021: \$116,295,000) and unrecognised tax losses arising during the year of \$31,560,000 (2021: \$112,147,000) have been carried forward. Tax losses that have been carried forward and are subject to expiration as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expiry dates						
– No expiry	148,733	128,931	36,246	44,725	184,979	173,656
– Within 1 to 5 years	25,124	27,602	–	–	25,124	27,602
– After 5 years	21,654	27,184	–	–	21,654	27,184
	195,511	183,717	36,246	44,725	231,757	228,442

Notes to the Financial Statements

Year ended 31 December 2022

15 TRADE AND OTHER RECEIVABLES

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables		36,168	40,231	7,416	6,402	43,584	46,633
Impairment loss	35	(7,297)	(6,580)	(118)	(100)	(7,415)	(6,680)
		28,871	33,651	7,298	6,302	36,169	39,953
Amounts due from related parties:							
– trade		29,971	32,136	2,231	–	26,193	32,136
– non-trade		47,144	20,731	2,118	1,268	3,857	860
– loan (interest-bearing)		2,257	2,486	–	–	–	–
Amounts due from the BT Trustee-Manager		–	–	–	160	–	160
Loans due from CapitaLand Ascott BT Group		107,287	65,504	–	–	–	–
Deposits		1,395	1,098	–	–	1,395	1,098
Deposit paid for acquisition of investment property		10,058	798	–	–	10,058	798
Other receivables		16,291	14,266	2,444	2,168	18,735	16,434
Impairment loss	35	(4)	(5)	–	–	(4)	(5)
		16,287	14,261	2,444	2,168	18,731	16,429
		243,270	170,665	14,091	9,898	96,403	91,434
Prepayments		14,071	12,373	1,713	622	15,784	12,995
		257,341	183,038	15,804	10,520	112,187	104,429

The non-trade amounts due from related parties mainly pertain to payments made on behalf of these entities. The non-trade amounts and loans due from related parties are unsecured, interest-free and repayable on demand except for an interest-bearing loan due from a related party at 1.90% (2021: 1.90%) per annum.

16 ASSETS HELD FOR SALE

	CapitaLand Ascott REIT Group and Stapled Group	
	2022 \$'000	2021 \$'000
Somerset Grand Citra		
– Investment property	1,020	1,519

In 2021, pursuant to the planned divestment of nine strata units in Somerset Grand Citra Jakarta, the investment property pertaining to these nine units have been reclassified to assets held for sale. During the year ended 31 December 2022, two strata units were divested.

Fair value hierarchy

On 31 December 2022, the Stapled Group's investment properties held for sale are valued based on independent valuation conducted by Colliers using the discounted cash flow method.

The fair value measurement for assets held for sale for the Stapled Group have been categorised as level 3 fair values.

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Year ended 31 December 2022

16 ASSETS HELD FOR SALE (continued)

Reconciliation of Level 3 fair value

The following table presents the reconciliation of the assets held for sale from the beginning balances to the ending balances for Level 3 fair values.

	Note	CapitaLand Ascott REIT Group and Stapled Group 2022 \$'000	2021 \$'000
Balance at 1 January		1,519	31,904
Disposal of assets held for sale		(431)	(31,986)
Transfer from investment properties	4	–	1,519
Net change in fair value recognised in Statement of Total Return		17	–
Translation differences		(85)	82
Balance at 31 December		1,020	1,519

17 CASH AND CASH EQUIVALENTS

	Note	CapitaLand Ascott REIT Group 2022 \$'000	2021 \$'000	CapitaLand Ascott BT Group 2022 \$'000	2021 \$'000	Stapled Group 2022 \$'000	2021 \$'000
Cash at bank and in hand		282,275	231,128	62,303	42,762	344,578	273,890
Fixed deposits with financial institutions		16,976	70,035	2,080	2,407	19,056	72,442
Cash and cash equivalents		299,251	301,163	64,383	45,169	363,634	346,332
Restricted cash deposits	(a)	(389)	(371)	(2,080)	(2,292)	(2,469)	(2,663)
Cash and cash equivalents in the Statements of Cash Flows		298,862	300,792	62,303	42,877	361,165	343,669

As at 31 December 2022, the interest rates per annum for cash and cash equivalent of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group ranged from 0.00% to 8.20% (2021: 0.00% to 3.50%), 0.00% to 1.66% (2021: 0.00% to 1.00%) and 0.00% to 8.20% (2021: 0.00% to 3.50%) respectively.

(a) The restricted cash deposits comprise:

- bank balances of certain subsidiaries pledged as collateral for certain borrowings of \$389,000 (2021: \$371,000); and
- security deposit of \$2,080,000 (2021: \$2,292,000) from a tenant which can only be drawn down as rental payment upon tenant's default or refunded to tenant upon lease expiry.

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Year ended 31 December 2022

18 FINANCIAL LIABILITIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current liabilities						
Secured bank loans	1,029,575	713,314	983	–	1,030,558	713,314
Unsecured bank loans	543,069	618,638	82,424	230,789	625,493	849,427
Medium term notes	448,930	401,998	–	–	448,930	401,998
Sustainability-linked notes	367,899	–	–	–	367,899	–
	2,389,473	1,733,950	83,407	230,789	2,472,880	1,964,739
Current liabilities						
Secured bank loans	73,476	155,018	–	–	73,476	155,018
Unsecured bank loans	52,781	203,979	175,462	48,718	228,243	252,697
Medium term notes	99,987	286,767	–	69,703	99,987	356,470
	226,244	645,764	175,462	118,421	401,706	764,185
	2,615,717	2,379,714	258,869	349,210	2,874,586	2,728,924

The weighted average effective interest rates per annum relating to bank loans, medium term notes and sustainability-linked notes at the reporting date for the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group are 3.33% (2021: 1.90%), 4.45% (2021: 2.15%) and 3.43% (2021: 1.93%) respectively.

Included in the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's bank loans, medium term notes and sustainability-linked notes is an amount of \$12,332,000 (2021: \$8,304,000), \$372,000 (2021: \$462,000) and \$12,704,000 (2021: \$8,766,000) respectively, relating to unamortised transaction costs.

Secured bank loans

The CapitaLand Ascott REIT Group's secured bank loans are secured on certain investment properties (Note 4) and an investment property under development (Note 6), pledge of shares of certain subsidiaries, pledge over certain bank deposits (Note 17), assignment of rental proceeds from the properties, assignment of insurance policies on the properties and corporate guarantee from CapitaLand Ascott REIT.

The CapitaLand Ascott BT Group's secured bank loan is secured on an investment property (Note 4).

Medium term notes

On 9 September 2009, a subsidiary of the CapitaLand Ascott REIT Group, Ascott REIT MTN Pte. Ltd., launched a \$1.0 billion Multi-currency Medium Term Note Programme ("MTN Programme"). On 9 July 2020, the MTN Programme was amended to add the REIT Trustee and the BT Trustee-Manager as issuers and perpetual securities was added as a security which may be issued by the REIT Trustee and the BT Trustee-Manager ("Amended MTN Programme"). The Amended MTN Programme limit was increased to \$2.0 billion. Under this Amended MTN Programme, the Ascott REIT MTN Pte. Ltd., the REIT Trustee and BT Trustee-Manager may, subject to compliance with all relevant laws, regulations and directives, from time to time issue fixed or floating interest rate notes and perpetual securities with aggregate principal amounts of \$2.0 billion.

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

Medium term notes (continued)

On 30 November 2011, a subsidiary of the CapitaLand Ascott REIT Group, Ascott REIT MTN (Euro) Pte. Ltd., established a US\$2.0 billion Euro-Medium Term Note Programme ("EMTN Programme"). Under this EMTN Programme, Ascott REIT MTN (Euro) Pte. Ltd. may, subject to any applicable legal or regulatory restrictions, from time to time issue fixed or floating interest rate notes in series or tranches in Euro, Sterling Pound, US Dollar, Singapore Dollar, Chinese Renminbi or any other currency agreed between Ascott REIT MTN (Euro) Pte. Ltd. and the relevant dealer of the programme.

On 15 October 2014, a subsidiary of the A-HREIT Group, Ascendas Hospitality MTN Pte. Ltd., and A-HBT (jointly known as "Issuers"), established a \$1.0 billion Multi-currency Stapled Medium Term Note Programme ("Stapled MTN Programme"). Under this Stapled MTN Programme, the Issuers may, subject to any applicable legal or regulatory restrictions, from time to time issue fixed or floating interest rate notes in series or tranches in Euro, Sterling Pound, US Dollar, Singapore Dollar, Chinese Renminbi or any other currency agreed between the Issuers and the relevant dealer of the programme.

Sustainability-linked notes

On 20 April 2022, the CapitaLand Ascott REIT Group issued \$200.0 million of sustainability-linked notes. Under the conditions of the notes, there is a sustainability performance target of having at least 50% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2025.

On 7 November 2022, the CapitaLand Ascott REIT Group issued JPY16.5 billion of sustainability-linked notes. Under the conditions of the notes, there are sustainability performance targets of (i) achieving a 40.5% reduction in electricity consumption as a proxy for Scope 1 and 2 Carbon Emissions Intensity from the base year of 2019 for the eligible projects by the sustainability performance target observation date, and (ii) achieving EDGE Greenbuilding Certifications for the eligible projects by 31 December 2028.

Subject to the conditions stipulated in the sustainability-linked notes, if the Stapled Group fails to satisfy any of the performance targets on the respective observation dates, the issuer shall pay in respect of each note an amount equal to the interest premium of 0.25% on the nominal value of the notes.

As at 31 December 2022, notes issued by the Stapled Group comprises:

- under the Amended MTN Programme:
 - (i) \$385.0 million (2021: \$420.0 million) of fixed rate notes maturing between 2023 and 2026;
 - (ii) \$200.0 million (2021: \$Nil) of fixed rate sustainability-linked notes maturing in 2027;
 - (iii) JPY5.0 billion (2021: JPY12.3 billion) of fixed rate notes maturing in 2025; and
 - (iv) JPY16.5 billion (2021: JPYNil) of fixed rate sustainability-linked notes maturing in 2029.
- under the EMTN Programme, EUR80.0 million (2021: EUR80.0 million) of fixed rate notes maturing in 2024.
- under the Stapled MTN Programme, \$Nil (2021: \$70.0 million (\$0.3 million under the A-HREIT Group and \$69.7 million under A-HBT) of fixed rate notes maturing in 2022).

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
CapitalLand Ascott REIT Group					
2022					
Medium term notes	EUR	2.75	2024	113,472	113,339
Medium term notes	JPY	0.97	2025	51,100	51,092
Medium term notes	SGD	3.52 – 5.00	2023 – 2026	385,000	384,486
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	398,958	395,852
Secured fixed rate loans	USD	2.70 – 2.90	2028	110,066	109,333
Secured floating rate loans	JPY	0.16 – 1.01	2024 – 2029	100,718	98,480
Secured floating rate loans	RMB	4.70 – 4.80	2026 – 2032	17,487	17,487
Secured floating rate loans	USD	2.30 – 6.99	2023 – 2032	483,341	481,339
Secured floating rate loans	VND	4.00 – 4.50	2023	560	560
Sustainability-linked notes	JPY	1.05	2029	168,630	168,474
Sustainability-linked notes	SGD	3.63	2027	200,000	199,425
Unsecured fixed rate loans	USD	1.00	2025	160	160
Unsecured floating rate loans	AUD	3.92 – 4.35	2024	46,391	46,279
Unsecured floating rate loans	EUR	1.69 – 3.92	2024	92,905	92,771
Unsecured floating rate loans	GBP	2.28 – 3.49	2024	35,137	35,052
Unsecured floating rate loans	JPY	0.58 – 1.30	2023 – 2024	63,364	63,273
Unsecured floating rate loans	SGD	3.97 – 5.86	2025 – 2026	137,270	136,369
Unsecured floating rate loans	USD	3.54 – 6.91	2026 – 2029	223,490	221,946
				<u>2,628,049</u>	<u>2,615,717</u>
2021					
Medium term notes	EUR	2.75	2024	123,071	122,870
Medium term notes	JPY	0.97 – 1.17	2022 – 2025	145,878	145,867
Medium term notes	SGD	3.33 – 4.21	2022 – 2024	420,280	420,028
Secured fixed rate loans	JPY	0.25 – 0.77	2024 – 2028	158,723	156,745
Secured fixed rate loans	USD	2.70 – 2.90	2028	108,670	107,860
Secured floating rate loans	JPY	0.18 – 0.82	2024 – 2028	129,463	128,720
Secured floating rate loans	RMB	4.85 – 4.90	2022 – 2026	26,462	26,462
Secured floating rate loans	USD	1.22 – 2.93	2022 – 2026	448,141	446,073
Secured floating rate loans	VND	4.00	2022	2,472	2,472
Unsecured fixed rate loans	JPY	0.63 – 0.75	2022 – 2023	166,040	165,786
Unsecured fixed rate loans	USD	1.00	2025	225	225
Unsecured floating rate loans	AUD	0.84 – 1.75	2022	51,088	50,971
Unsecured floating rate loans	EUR	0.74 – 0.90	2022 – 2024	103,743	103,391
Unsecured floating rate loans	GBP	1.01 – 1.02	2022	39,218	39,177
Unsecured floating rate loans	JPY	0.58 – 1.30	2023 – 2024	95,259	94,971
Unsecured floating rate loans	SGD	1.14 – 1.75	2023 – 2026	329,770	328,771
Unsecured floating rate loans	USD	1.03 – 1.73	2022 – 2026	39,515	39,325
				<u>2,388,018</u>	<u>2,379,714</u>

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
CapitaLand Ascott BT Group					
2022					
Secured fixed rate loans	JPY	1.39	2027	1,022	983
Unsecured fixed rate loans	KRW	3.55	2024	33,280	33,236
Unsecured floating rate loans	AUD	4.56	2023	175,595	175,462
Unsecured floating rate loans*	USD	3.39	2025	49,344	49,188
				<u>259,241</u>	<u>258,869</u>
2021					
Medium term notes	SGD	3.33	2022	69,720	69,703
Unsecured fixed rate loans	KRW	3.55	2024	36,672	36,585
Unsecured floating rate loans	AUD	1.68	2023	193,374	193,018
Unsecured floating rate loans	JPY	1.50	2023	1,186	1,186
Unsecured floating rate loans	USD	1.31	2022	48,720	48,718
				<u>349,672</u>	<u>349,210</u>
Stapled Group					
2022					
Medium term notes	EUR	2.75	2024	113,472	113,339
Medium term notes	JPY	0.97	2025	51,100	51,092
Medium term notes	SGD	3.52 – 5.00	2023 – 2026	385,000	384,486
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	399,980	396,835
Secured fixed rate loans	USD	2.70 – 2.90	2028	110,066	109,333
Secured floating rate loans	JPY	0.16 – 1.01	2024 – 2029	100,718	98,480
Secured floating rate loans	RMB	4.70 – 4.80	2026 – 2032	17,487	17,487
Secured floating rate loans	USD	2.30 – 6.99	2023 – 2032	483,341	481,339
Secured floating rate loans	VND	4.00 – 4.50	2023	560	560
Sustainability-linked notes	JPY	1.05	2029	168,630	168,474
Sustainability-linked notes	SGD	3.63	2027	200,000	199,425
Unsecured fixed rate loans	KRW	3.55	2024	33,280	33,236
Unsecured fixed rate loans	USD	1.00	2025	160	160
Unsecured floating rate loans	AUD	3.92 – 4.56	2023 – 2024	221,986	221,741
Unsecured floating rate loans	EUR	1.69 – 3.92	2024	92,905	92,771
Unsecured floating rate loans	GBP	2.28 – 3.49	2024	35,137	35,052
Unsecured floating rate loans	JPY	0.58 – 1.30	2023 – 2024	63,364	63,273
Unsecured floating rate loans	SGD	3.97 – 5.86	2025 – 2026	137,270	136,369
Unsecured floating rate loans	USD	3.39 – 6.91	2025 – 2029	272,834	271,134
				<u>2,887,290</u>	<u>2,874,586</u>

* During the year, the CapitaLand Ascott BT Group has drawn down a USD36.0 million unsecured floating rate loan. The margin for the loan will be reduced after 12 months from the first utilisation date if no event of default has occurred and Global Real Estate Sustainability Benchmark rating achievement has been met.

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
Stapled Group					
2021					
Medium term notes	EUR	2.75	2024	123,071	122,870
Medium term notes	JPY	0.97 – 1.17	2022 – 2025	145,878	145,867
Medium term notes	SGD	3.33 – 4.21	2022 – 2024	490,000	489,731
Secured fixed rate loans	JPY	0.25 – 0.77	2024 – 2028	158,723	156,745
Secured fixed rate loans	USD	2.70 – 2.90	2028	108,670	107,860
Secured floating rate loans	JPY	0.18 – 0.82	2024 – 2028	129,463	128,720
Secured floating rate loans	RMB	4.85 – 4.90	2022 – 2026	26,462	26,462
Secured floating rate loans	USD	1.22 – 2.93	2022 – 2026	448,141	446,073
Secured floating rate loans	VND	4.00	2022	2,472	2,472
Unsecured fixed rate loans	JPY	0.63 – 0.75	2022 – 2023	166,040	165,786
Unsecured fixed rate loans	KRW	3.55	2024	36,672	36,585
Unsecured fixed rate loans	USD	1.00	2025	225	225
Unsecured floating rate loans	AUD	0.84 – 1.75	2022 – 2023	244,462	243,989
Unsecured floating rate loans	EUR	0.74 – 0.90	2022 – 2024	103,743	103,391
Unsecured floating rate loans	GBP	1.01 – 1.02	2022	39,218	39,177
Unsecured floating rate loans	JPY	0.58 – 1.50	2023 – 2024	96,445	96,157
Unsecured floating rate loans	SGD	1.14 – 1.75	2023 – 2026	329,770	328,771
Unsecured floating rate loans	USD	1.03 – 1.73	2022 – 2026	88,235	88,043
				<u>2,737,690</u>	<u>2,728,924</u>

Guarantees

The CapitaLand Ascott REIT Group has provided corporate guarantees to banks amounting to \$401,213,000 (2021: \$422,045,000) for bank loans undertaken by its subsidiaries which expire in 2023, 2025, 2026, 2029 and 2032. The CapitaLand Ascott BT Group has provided corporate guarantees to banks amounting to \$208,475,000 (2021: \$229,606,000) for unsecured bank loans undertaken by its subsidiaries which expire in 2023 and 2024.

The earliest period that the guarantees could be called is within one year (2021: one year) from the reporting date.

At the reporting date, the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group do not consider it probable that a claim will be made under these guarantees.

Government Assisted Loans

The CapitaLand Ascott REIT Group entered into bank loans amounting to \$3,063,000 between April 2020 to May 2020, at an annual interest rate of 1.00%. The government of United States of America ("USA") introduced a general financial support scheme ("Financial Support Scheme") in response to the economic impacts of the COVID-19 pandemic, which provided a guarantee of the full amount of qualifying new corporate loans issued by banks in the USA. The bank loans qualified for this financial support scheme and are guaranteed by the government of USA.

As at 31 December 2022, the outstanding bank loan amounted to \$160,000 (2021: \$225,000) and will mature in 2025.

The CapitaLand Ascott REIT Group determined that the interest rate for an equivalent loan issued on an arm's length basis without the guarantee would have been 6.33% (2021: 2.37%) per annum. The CapitaLand Ascott REIT Group concluded that the difference between the interest rate of 1.00% and 6.33% (2021: 1.00% and 2.37%) per annum is government assistance that is intended to provide relief to the CapitaLand Ascott REIT Group for interest expense that would otherwise be incurred if the loans were not guaranteed under the financial support scheme.

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

Loan covenant

As at 31 December 2022, the Stapled Group has complied with all debt covenants or obtained waivers to defer testing of debt covenant compliance to after the year end.

Reconciliation of movements of liabilities to cash flows arising from financing activities

CapitaLand Ascott REIT Group	Bank loans and notes \$'000	Interest payable ⁽¹⁾ (Note 19) \$'000	Lease liabilities (Note 21) \$'000	Total \$'000
Balance as at 1 January 2021	2,114,358	5,718	283,312	2,403,388
Changes from financing cash flows				
Proceeds from borrowings	754,954	–	–	754,954
Repayment of borrowings and medium term notes	(422,698)	–	–	(422,698)
Payment of transaction costs on bank borrowings	(4,619)	–	–	(4,619)
Payment of lease liabilities	–	–	(8,384)	(8,384)
Interest paid	–	(35,053)	(10,519)	(45,572)
Total changes from financing cash flows	327,637	(35,053)	(18,903)	273,681
Other changes				
Finance costs	3,132	35,126	10,519	48,777 ⁽²⁾
Effect of changes in foreign exchange rates	(65,413)	(336)	951	(64,798)
Balance as at 31 December 2021	2,379,714	5,455	275,879	2,661,048
Balance as at 1 January 2022	2,379,714	5,455	275,879	2,661,048
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	1,554,606	–	–	1,554,606
Repayment of borrowings and medium term notes	(1,319,220)	–	–	(1,319,220)
Payment of transaction costs on borrowings and notes	(7,842)	–	–	(7,842)
Payment of lease liabilities	–	–	(7,897)	(7,897)
Interest paid	–	(45,587)	(10,379)	(55,966)
Total changes from financing cash flows	227,544	(45,587)	(18,276)	163,681
Other changes				
Finance costs	3,498	48,108	10,379	61,985
Effect of changes in foreign exchange rates	(108,393)	(12)	(968)	(109,373)
Acquisition of investment properties (Note 40)	113,354	–	–	113,354
Balance as at 31 December 2022	2,615,717	7,964	267,014	2,890,695

(1) Net of interest receivables of \$6,212,000 (2021: \$3,397,000) from cross currency interest rate swaps.

(2) Excludes financial expenses from remeasuring the security deposits of \$Nil (2021: \$391,000).

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

CapitaLand Ascott BT Group	Bank loans and medium term notes \$'000	Interest payable ⁽¹⁾ (Note 19) \$'000	Lease liabilities (Note 21) \$'000	Total \$'000
Balance as at 1 January 2021	348,137	1,116	114,078	463,331
Changes from financing cash flows				
Payment of lease liabilities	–	–	(5,256)	(5,256)
Interest paid	–	(6,358)	(9,122)	(15,480)
Total changes from financing cash flows	–	(6,358)	(14,378)	(20,736)
Other changes				
Finance costs	340	6,360	9,123	15,823 ⁽²⁾
Effect of changes in foreign exchange rates	733	34	(8,851)	(8,084)
Balance as at 31 December 2021	349,210	1,152	99,972	450,334
Balance as at 1 January 2022	349,210	1,152	99,972	450,334
Changes from financing cash flows				
Proceeds from borrowings	92,243	–	–	92,243
Repayment of borrowings and medium term notes	(161,770)	–	–	(161,770)
Payment of transaction costs on borrowings	(231)	–	–	(231)
Payment of lease liabilities	–	–	(4,989)	(4,989)
Interest paid	–	(6,559)	(7,542)	(14,101)
Total changes from financing cash flows	(69,758)	(6,559)	(12,531)	(88,848)
Other changes				
Finance costs	294	6,640	7,542	14,476 ⁽²⁾
Effect of changes in foreign exchange rates	(20,877)	(136)	(13,595)	(34,608)
Balance as at 31 December 2022	258,869	1,097	81,388	341,354

(1) Net of interest receivables of \$789,000 (2021: \$478,000) from cross currency interest rate swaps and including interest payable to CapitaLand Ascott REIT Group of \$51,000 (2021: \$65,000) from interest bearing loan due to related parties.

(2) Excludes financial expenses from remeasuring the security deposits of \$140,000 (2021: \$158,000).

Notes to the Financial Statements

Year ended 31 December 2022

18 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Stapled Group	Bank loans and notes \$'000	Interest payable ⁽¹⁾ (Note 19) \$'000	Lease liabilities (Note 21) \$'000	Total \$'000
Balance as at 1 January 2021	2,462,495	6,817	283,312	2,752,624
Changes from financing cash flows				
Proceeds from borrowings	754,954	–	–	754,954
Repayment of borrowings and medium term notes	(422,698)	–	–	(422,698)
Payment of transaction costs on bank borrowings	(4,619)	–	–	(4,619)
Payment of lease liabilities	–	–	(8,384)	(8,384)
Interest paid	–	(41,410)	(10,519)	(51,929)
Total changes from financing cash flows	327,637	(41,410)	(18,903)	267,324
Other changes				
Finance costs	3,472	41,437	10,519	55,428 ⁽²⁾
Effect of changes in foreign exchange rates	(64,680)	(302)	951	(64,031)
Balance as at 31 December 2021	2,728,924	6,542	275,879	3,011,345
Balance as at 1 January 2022	2,728,924	6,542	275,879	3,011,345
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	1,646,849	–	–	1,646,849
Repayment of borrowings and medium term notes	(1,480,990)	–	–	(1,480,990)
Payment of transaction costs on borrowings and notes	(8,073)	–	–	(8,073)
Payment of lease liabilities	–	–	(7,897)	(7,897)
Interest paid	–	(52,146)	(10,379)	(62,525)
Total changes from financing cash flows	157,786	(52,146)	(18,276)	87,364
Other changes				
Finance costs	3,792	54,701	10,379	68,872 ⁽²⁾
Effect of changes in foreign exchange rates	(129,270)	(87)	(968)	(130,325)
Acquisition of investment properties (Note 40)	113,354	–	–	113,354
Balance as at 31 December 2022	2,874,586	9,010	267,014	3,150,610

(1) Net of interest receivables of \$7,001,000 (2021: \$3,875,000) from cross currency interest rate swaps.

(2) Excludes financial expenses from remeasuring the security deposits of \$140,000 (2021: \$549,000).

Notes to the Financial Statements

Year ended 31 December 2022

19 TRADE AND OTHER PAYABLES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade payables and accrued operating expenses	93,935	64,358	25,251	24,859	119,186	89,217
Amounts due to associate (non-trade)	1,884	1,914	–	–	1,884	1,914
Amounts due to related parties:						
– trade	22,292	14,239	7,776	1,691	24,059	15,930
– non-trade	3,734	2,446	43,294	19,870	1,623	1,177
– deferred payment for acquisition of investment property (Note 40)	28,428	–	–	–	28,428	–
– loan (interest-bearing)	3,919	4,169	2,257	2,486	3,919	4,169
Amounts due to the REIT Manager	5,976	6,730	–	–	5,976	6,730
Amounts due to the BT Trustee-Manager	–	–	255	53	255	53
Amounts due to the REIT Trustee	235	228	–	–	235	228
Amounts due to non-controlling interests (non-trade)	686	653	–	–	686	653
Loans due to CapitaLand Ascott REIT Group	–	–	107,287	65,504	–	–
Interest payable	14,176	8,852	1,835	1,565	16,011	10,417
Rental deposits and advance rental	37,167	32,102	4,814	3,972	41,981	36,074
Trade and other payables (current)	212,432	135,691	192,769	120,000	244,243	166,562
Other payables	–	–	409	376	409	376
Rental deposits	32	–	8,215	9,242	8,247	9,242
Trade and other payables (non-current)	32	–	8,624	9,618	8,656	9,618

The non-trade amounts due to associate and related parties mainly pertain to payments made on behalf by these entities. These amounts and loans due to the CapitaLand Ascott REIT Group are unsecured, interest-free and repayable on demand. The effective interest rate for the interest-bearing loan to related parties in the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group are 2.27% (2021: 2.27%), 1.90% (2021: 1.90%) and 2.27% (2021: 2.27%) per annum respectively.

The non-trade amounts due to non-controlling interests mainly pertain to interest-bearing loans extended to the Stapled Group with an effective interest rate of 3.97% (2021: 1.94%) per annum.

Deferred payment for acquisition of investment property will be paid to the vendor when 70% of the renovation works have been completed by the master lessee of La Clef Tour Eiffel Paris.

The non-current rental deposits are refundable to tenant upon the lease expiry ranging from December 2025 to June 2038.

Notes to the Financial Statements

Year ended 31 December 2022

20 DEFERRED INCOME

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current	-	-	135	969	135	969
Non-current	-	-	876	1,128	876	1,128
Total	-	-	1,011	2,097	1,011	2,097
At 1 January	-	361	2,097	3,959	2,097	4,320
Amount amortised during the year						
- Gross revenue (Note 24)	-	-	(786)	(1,694)	(786)	(1,694)
- Finance income (Note 26)	-	(361)	(140)	(158)	(140)	(519)
Translation differences	-	-	(160)	(10)	(160)	(10)
	-	-	1,011	2,097	1,011	2,097

Deferred income relates to the following:

- (i) Cash reimbursement received from Accor for its 50% share of the \$30.0 million capital expenditure incurred by the Accor Australia hotels for refurbishment works which was completed in 2013. The reimbursement by Accor is conditional upon the non-termination of the hotel management agreement signed between Ascendas Hotel Investment Company Pty Limited and Accor prior to 30 June 2017 and on a pro-rata basis if the termination occurs after 30 June 2017 but before 30 June 2022. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis.
- (ii) Difference between the considerations received for rental deposits arising from the master leases and its fair value on initial recognition. Deferred income is credited to the Statement of Total Return as finance income.

21 LEASE LIABILITIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current	9,646	8,641	5,185	5,524	9,646	8,641
Non-current	257,368	267,238	76,203	94,448	257,368	267,238
Total	267,014	275,879	81,388	99,972	267,014	275,879

The investment properties of the CapitaLand Ascott BT Group included a right-of-use asset relating to the operating lease for Ariake Hotel on adoption of FRS 116/SFRS(I) 16. AAGK, a subsidiary of CapitaLand Ascott BT, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kaisha, a subsidiary of CapitaLand Ascott REIT. FRS 116/SFRS(I) 16 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Stapled Group as the intra-group transaction will be eliminated upon consolidation.

Notes to the Financial Statements

Year ended 31 December 2022

21 LEASE LIABILITIES (continued)

Leases as lessee (FRS 116/SFRS(I) 16)

The CapitaLand Ascott REIT Group leases the land on which three (2021: three) of the investment properties were constructed. The leases have initial tenures ranging from 25 to 48 years (2021: 25 to 48 years).

The CapitaLand Ascott REIT Group also leases the commercial podium under a 33-year master lease in Somerset Olympic Tower Property Tianjin. The operating lease payables are based on the fixed component of the rent payable under the lease agreement, adjusted for incremental rent which have been provided for in the agreement.

Information about leases for which the CapitaLand Ascott REIT Group is a lessee is presented below.

Amounts recognised in the Statement of Total Return

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
Lease under FRS 116/SFRS(I) 16		
Interest expense on lease liabilities	10,379	10,519
Change in fair value of right-of-use assets	9,059	8,190
<i>Variable lease payments not capitalised in lease liabilities</i>		
Variable lease payments which do not depend on an index or rate ⁽¹⁾	351	281

(1) The CapitaLand Ascott REIT Group manages certain units at one of the investment properties on behalf of third-party unit owners. The variable lease payments paid to these unit owners are based on a percentage of the net operational profit derived from the investment property. Such variable lease payments are recognised in the Statement of Total Return when incurred and amounted to \$351,000 (2021: \$281,000) for the year ended 31 December 2022.

Amounts recognised in Statement of Cash Flows

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
Payment of lease liabilities	7,897	8,384
Interest paid	10,379	10,519
Total cash outflow for leases	18,276	18,903

Notes to the Financial Statements

Year ended 31 December 2022

22 STAPLED SECURITYHOLDERS' FUNDS

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, effective portion of the hedging instrument which is used to hedge against the Stapled Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Stapled Group's net investments in foreign entities.

Capital reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to a general reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The capital reserve of the subsidiary can be used to make good previous years' losses, if any, and may be converted to paid-in capital of the subsidiary in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

Asset revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings, net of deferred tax.

Capital management

The Managers review the Stapled Group's capital structure regularly, which the Stapled Group defines as total Stapled Securityholders' funds (excluding non-controlling interests) and the level of distribution to Stapled Securityholders. The Stapled Group uses a combination of debt and equity to fund acquisition and asset enhancement projects.

The objectives of the Managers are to:

- (a) maintain a strong balance sheet by adopting and maintaining a target gearing range;
- (b) secure diversified funding sources from financial institutions and/or capital markets;
- (c) adopt a proactive interest rate management strategy to manage risks related to interest rate fluctuations; and
- (d) manage the foreign currency exposure of income and capital values of overseas assets through hedging, where appropriate.

The Managers seek to maintain a combination of debt and equity in order to balance the cost of capital and the returns to Stapled Securityholders. The Managers also monitor the externally imposed capital requirements closely and ensures that the capital structure adopted complies with the requirements.

CapitaLand Ascott REIT is subject to the Aggregate Leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (the "Aggregate Leverage") of a property fund should not exceed 50.0% of the fund's Deposited Property before 1 January 2022. It was announced that after 1 January 2022, the Aggregate Leverage limit is revised to 45% with the exception that the Aggregate Leverage limit may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

Notes to the Financial Statements

Year ended 31 December 2022

22 STAPLED SECURITYHOLDERS' FUNDS (continued)

Capital management (continued)

As at the reporting date, CapitaLand Ascott REIT has a credit rating of BBB- from Fitch Ratings (2021: BBB- from Fitch Ratings). The Aggregate Leverage of the CapitaLand Ascott REIT Group as at 31 December 2022 was 39.7% (2021: 37.3%) of the CapitaLand Ascott REIT Group's Deposited Property. This complied with the Aggregate Leverage limit.

The aggregate leverage of the Stapled Group as at 31 December 2022 was 38.0% (2021: 37.1%).

There were no changes in the Stapled Group's approach to capital management during the year.

23 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES

(a) Stapled Securities in issue

	CapitaLand Ascott REIT Units		CapitaLand Ascott BT Units		Stapled Securities	
	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000
At 1 January	3,276,547	3,108,048	3,276,547	3,108,048	3,276,547	3,108,048
Issue of new Stapled Securities:						
– Private placement	151,786	152,594	151,786	152,594	151,786	152,594
– Management fees paid in Stapled Securities	17,292	15,905	17,292	15,905	17,292	15,905
At 31 December	3,445,625	3,276,547	3,445,625	3,276,547	3,445,625	3,276,547

During the financial year ended 31 December 2022, the REIT Manager and the BT Trustee-Manager issued Stapled Securities as follows:

- 151,786,000 Stapled Securities at an issue price of \$1.120 per Stapled Security amounting to \$170,000,320 by way of a private placement to institutional and other investors.
- 15,300,375 Stapled Securities at issue prices ranging from \$1.0144 to \$1.1354 per Stapled Security, amounting to \$16,135,000, as payment of the REIT Manager's base management fees for the period from 1 October 2021 to 30 September 2022 and the REIT Manager's performance fees for the period from 1 January 2021 to 31 December 2021.
- 1,991,954 Stapled Securities at issue prices ranging from \$1.0144 to \$1.1354 per Stapled Security, amounting to \$2,123,000 as payment of the BT Trustee-Manager's base management fees and performance fees for the period from 1 October 2021 to 30 September 2022.

During the financial year ended 31 December 2021, the REIT Manager and the BT Trustee-Manager issued Stapled Securities as follows:

- 152,594,100 Stapled Securities at an issue price of \$0.9830 per Stapled Security amounting to \$150,000,000 by way of a private placement to institutional and other investors.
- 13,859,286 Stapled Securities at issue prices ranging from \$0.9494 to \$1.0759 per Stapled Security, amounting to \$14,342,000, as payment of the REIT Manager's base management fees for the period from 1 October 2020 to 30 September 2021 and the REIT Manager's performance fees for the period from 1 January 2020 to 31 December 2020.
- 2,045,550 Stapled Securities at issue prices ranging from \$0.9494 to \$1.0759 per Stapled Security, amounting to \$2,098,000 as payment of the BT Trustee-Manager's base management fees and performance fees for the period from 1 October 2020 to 30 September 2021.

Notes to the Financial Statements

Year ended 31 December 2022

23 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Stapled Securities in issue (continued)

Each CapitaLand Ascott BT Unit was stapled to one CapitaLand Ascott REIT Unit to form one Stapled Security in accordance with the Stapling Deed entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in the Stapled Group.

A holder of the Stapled Security has no equitable or proprietary interest in the underlying assets of the Stapled Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of the Stapled Group.

The holders of the Stapled Securities are entitled to receive distributions as and when declared by the Stapled Group.

A Stapled Securityholder's liability is limited to the amount paid or payable for any Stapled Securities in the Stapled Group.

Each CapitaLand Ascott REIT Unit and CapitaLand Ascott BT Unit carry the same voting rights.

(b) Perpetual securities

On 4 September 2019, CapitaLand Ascott REIT issued \$150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter.

On 30 June 2015, CapitaLand Ascott REIT issued \$250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter. As announced on 29 May 2020, the \$250.0 million perpetual securities would not be redeemed. The distribution rate applicable to the perpetual securities was reset to 3.07% per annum on 30 June 2020.

The perpetual securities have no fixed redemption date and redemption is at the option of CapitaLand Ascott REIT in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of CapitaLand Ascott REIT and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of CapitaLand Ascott REIT:

- These perpetual securities rank *pari passu* with the holders of preferred Units (if any) and rank ahead of the Stapled Securityholders of CLAS, but junior to the claims of all other present and future creditors of CapitaLand Ascott REIT.
- CapitaLand Ascott REIT shall not declare or pay any distributions to the Stapled Securityholders, or make redemptions, unless CapitaLand Ascott REIT declares or pays any distributions to the holders of the perpetual securities.

These perpetual securities are classified as equity instruments and recorded within the Statements of Movements in Stapled Securityholders' Funds. The \$396,298,000 (2021: \$396,298,000) presented on the Statements of Financial Position represents the \$400,000,000 (2021: \$400,000,000) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

Notes to the Financial Statements

Year ended 31 December 2022

24 GROSS REVENUE

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross rental income	468,203	289,691	25,928	27,952	479,577	303,264
Hospitality income	14,931	10,290	–	–	14,931	10,290
Hotel revenue	–	–	123,079	77,172	123,079	77,172
Amortisation of deferred income (Note 20)	–	–	786	1,694	786	1,694
Car park income	2,869	1,992	–	–	2,869	1,992
	486,003	301,973	149,793	106,818	621,242	394,412

In prior year, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group granted rental abatement of \$4.1 million, \$Nil and \$4.1 million respectively to the lessees. These rental abatements are presented net and deducted against gross revenue in the Statement of Total Return.

25 DIRECT EXPENSES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operations and maintenance expenses	51,314	32,472	14,381	11,204	65,695	43,676
Staff costs	55,391	33,990	40,486	26,795	95,877	60,785
Serviced residence management fees	17,299	8,505	307	105	17,606	8,610
Property tax	31,471	24,045	6,005	5,522	37,476	29,567
Depreciation of property, plant and equipment	12,514	10,494	2,763	3,135	15,277	13,629
Marketing and selling expenses	28,301	11,697	10,598	3,418	38,899	15,115
Administrative and general expenses	32,958	26,380	10,727	8,419	43,685	34,799
Other direct expenses	16,309	9,284	9,624	5,657	23,909	14,941
	245,557	156,867	94,891	64,255	338,424	221,122
Contributions to defined contribution plans included in staff costs	3,959	3,124	3,098	2,208	7,057	5,332

In prior year, the following government grants were presented net and deducted against the staff costs in the Statement of Total Return:

- Wage subsidies of approximately \$0.3 million, \$2.6 million and \$2.9 million received by the CapitaLand Ascott REIT Group, CapitaLand Ascott BT Group and Stapled Group respectively under the JobKeeper Payment Scheme announced by the Australian Government to support business that were significantly affected by COVID-19.
- Wage subsidies of \$1.8 million from the Jobs Support Scheme granted by the Singapore government or equivalents in China, Europe and Malaysia.

Notes to the Financial Statements

Year ended 31 December 2022

26 FINANCE INCOME AND COSTS

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Finance income						
Interest income from a related party	46	49	-	-	-	-
Financial income arising from remeasuring the deferred income (Note 20)	-	361	140	158	140	519
Bank deposits	1,130	2,510	198	41	1,328	2,551
	1,176	2,920	338	199	1,468	3,070
Finance costs						
Amortisation of transaction costs	(3,498)	(3,132)	(294)	(340)	(3,792)	(3,472)
Interest on bank loans	(64,236)	(40,426)	(9,690)	(7,708)	(73,926)	(48,134)
Cash flow hedges, reclassified from hedging reserve	1,095	(3,347)	1,292	(409)	2,387	(3,756)
Cross currency interest rate swaps ⁽¹⁾	16,497	9,619	1,846	1,822	18,343	11,441
Interest expense on lease liabilities	(10,379)	(10,519)	-	-	(10,379)	(10,519)
Interest expense on lease liabilities paid/payable to the CapitaLand Ascott REIT Group	-	-	(7,542)	(9,123)	-	-
Interest paid/payable to a related corporation	(91)	(98)	(46)	(49)	(91)	(98)
Financial expense from remeasuring the security deposits	-	(391)	(140)	(158)	(140)	(549)
Others	(1,373)	(874)	(42)	(16)	(1,414)	(890)
	(61,985)	(49,168)	(14,616)	(15,981)	(69,012)	(55,977)

(1) Interest income arising from cross currency interest rate swaps are classified within finance costs as these financial derivatives were entered into by the Stapled Group as cash flow hedging instruments for certain bank loans.

Notes to the Financial Statements

Year ended 31 December 2022

27 MANAGERS' MANAGEMENT FEES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REIT Manager's fees ⁽¹⁾						
– Base fee	17,053	15,576	–	–	17,053	15,576
– Performance fee	8,534	4,638	–	–	8,534	4,638
	25,587	20,214	–	–	25,587	20,214
BT Trustee-Manager's fees ⁽¹⁾						
– Base fee	–	–	956	1,046	956	1,046
– Performance fee	–	–	1,713	1,145	1,713	1,145
	–	–	2,669	2,191	2,669	2,191
Onshore fees paid/payable to related entities of the Managers ⁽²⁾						
	279	320	1,884	1,995	2,163	2,315
	25,866	20,534	4,553	4,186	30,419	24,720

(1) A total of 18,634,723 (2021: 14,759,983) Stapled Securities and 2,169,590 (2021: 2,057,689) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees and the BT Trustee-Manager's management fees amounting to \$19,481,000 (2021: \$14,936,000) and \$2,276,000 (2021: \$2,094,000) respectively in respect of the year ended 31 December 2022. The cash portion is derived after deducting the onshore fees payable to the other appointed asset managers.

(2) This relates to management fees paid/payable to related entities for asset management services for some of the properties in Australia, Japan and South Korea.

Under the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, part of the fees payable to the Managers can be paid by certain subsidiaries of the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group to certain nominated entities of the Managers in certain jurisdictions outside Singapore in which the Stapled Group has a presence (namely, Australia, Japan and South Korea).

The onshore fees form part of, are and not in addition to, the fees payable to the REIT Manager and the BT Trustee-Manager.

28 PROFESSIONAL FEES

Professional fees of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group include valuation fees of \$720,000, \$138,000 and \$858,000 respectively (2021: \$518,000, \$73,000 and \$591,000 respectively).

Notes to the Financial Statements

Year ended 31 December 2022

29 NET INCOME

The following items have been included in arriving at net income for the year:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-audit fees paid to:						
– auditors of the Stapled Group	62	78	–	–	62	78
Loss on disposal of property, plant and equipment	345	29	–	–	345	29
Impairment loss on trade and other receivables recognised/ (written back)	389	5,179	27	(112)	416	5,067
Write-off of trade and other receivables	276	392	–	25	276	417

30 PROFIT FROM DIVESTMENTS

Divestment of subsidiaries

On 27 May 2021, the CapitaLand Ascott REIT Group completed the divestment of a wholly-owned subsidiary, Shanghai Xinwei Real Estate Development Co. Ltd., for total consideration of \$217.1 million. The disposed subsidiary contributed profit after tax of \$1.3 million from 1 January 2021 to the date of disposal.

Divestment of assets held for sale

On 1 April 2021, the CapitaLand Ascott REIT Group completed the divestment of a serviced residence property in France, Citadines City Centre Grenoble, for total consideration of \$12.8 million. The disposed serviced residence property contributed profit after tax of \$161,000 from 1 January 2021 to the date of disposal.

On 4 May 2021, the CapitaLand Ascott REIT Group completed the divestment of a serviced residence property in France, Citadines Didot Montparnasse Paris, for total consideration of \$37.9 million. The disposed serviced residence property contributed profit after tax of \$565,000 from 1 January 2021 to the date of disposal.

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
Gain on divestment of subsidiaries ⁽¹⁾	–	136,053
Gain on disposal of investment properties ⁽²⁾	–	607
Gain on divestment of assets held for sale	99	16,566
	99	153,226

(1) In 2021, gain on divestment of subsidiaries included \$1,259,000 relating to Guangzhou Hai Yi Real Estate Development Co, Ltd., which was divested on 9 December 2020 and \$134,794,000 relating to Shanghai Xinwei Real Estate Development Co. Ltd..

(2) In 2021, gain on disposal of investment properties relates to the reversal of transaction costs no longer required for the serviced residence property in Japan which was divested on 23 December 2020.

Notes to the Financial Statements

Year ended 31 December 2022

31 INCOME TAX EXPENSE

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current tax expense						
Current year	15,507	25,914	2,673	2,109	18,180	28,023
(Over)/Under provided in prior years	(219)	(8,507)	(18)	335	(237)	(8,172)
Withholding tax	3,758	23,693	1,017	1,644	4,775	25,337
	19,046	41,100	3,672	4,088	22,718	45,188
Deferred tax expense						
Origination and reversal of temporary differences	11,797	16,020	699	3,535	12,496	19,555
(Over)/Under provided in prior years	(1,675)	(125)	24	(103)	(1,651)	(228)
	10,122	15,895	723	3,432	10,845	19,327
Income tax expense	29,168	56,995	4,395	7,520	33,563	64,515
Reconciliation of effective tax rate						
Total return before income tax	273,742	345,555	4,444	29,503	259,783	374,932
Income tax using the Singapore tax rate of 17% (2021: 17%)	46,536	58,744	755	5,016	44,163	63,738
Effect of different tax rates in foreign jurisdictions	22,337	22,279	581	(155)	22,918	22,124
Tax rebate/relief/exemption	(58)	(325)	–	–	(58)	(325)
Income not subject to tax	(101,039)	(111,137)	(5,910)	(10,844)	(103,864)	(121,975)
Tax benefits not recognised	10,699	25,671	–	9,068	10,699	34,739
Expenses not deductible for tax purposes	56,473	48,244	9,338	2,559	65,854	50,819
Utilisation of previously unrecognised tax losses	(1,067)	(183)	(1,392)	–	(2,459)	(183)
Tax transparency	(6,577)	(1,359)	–	–	(6,577)	(1,359)
(Over)/Under provision in prior years	(1,894)	(8,632)	6	232	(1,888)	(8,400)
Withholding tax	3,758	23,693	1,017	1,644	4,775	25,337
	29,168	56,995	4,395	7,520	33,563	64,515

No income tax effects have been recognised for those items recognised directly in Stapled Securityholders' funds.

Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Stapled Group operates are enacted or substantively enacted, the Stapled Group may be liable to the top-up tax. As at 31 December 2022, the Stapled Group does not have subsidiaries which have significant operation in the country where the statutory tax rate is less than 15%.

At the date when the financial statements were authorised for issue, none of the jurisdictions in which the Stapled Group operates had enacted or substantively enacted the tax legislation related to the top-up tax. The Managers are closely monitoring the progress of the legislative process in each jurisdiction the Stapled Group operates in. As at 31 December 2022, the Stapled Group did not have sufficient information to determine the potential quantitative impact.

Notes to the Financial Statements

Year ended 31 December 2022

32 EARNINGS PER STAPLED SECURITY

Basic earnings per Stapled Security

The calculation of basic earnings per Stapled Security for the Stapled Group was based on the total return for the year attributable to Stapled Securityholders and a weighted average number of Stapled Securities outstanding.

	Stapled Group	
	2022	2021
	\$'000	\$'000
Total return attributable to Stapled Securityholders and perpetual securities holders	223,305	309,317
Less: Total return attributable to perpetual securities holders	(13,495)	(13,495)
Total return attributable to Stapled Securityholders	209,810	295,822

	Stapled Group	
	2022	2021
	'000	'000
Issued Stapled Securities at the beginning of the year	3,276,547	3,108,048
Effect of issue of new Stapled Securities:		
– Private placement	54,061	43,061
– Management fees paid in Stapled Securities	9,954	9,065
Weighted average number of Stapled Securities outstanding during the year	3,340,562	3,160,174

Diluted earnings per Stapled Security

The calculation of diluted earnings per Stapled Security for the Stapled Group was based on the total return for the year attributable to Stapled Securityholders and a weighted average number of Stapled Securities outstanding after adjustment for the effects of all dilutive potential Stapled Securities.

	Stapled Group	
	2022	2021
	'000	'000
Weighted average number of Stapled Securities used in calculation of basic earnings per Stapled Security	3,340,562	3,160,174
Weighted average number of unissued Stapled Securities for base and performance fees	17,502	13,848
Weighted average number of Stapled Securities outstanding (diluted) during the year	3,358,064	3,174,022

Notes to the Financial Statements

Year ended 31 December 2022

33 ISSUE EXPENSES

	CapitaLand Ascott REIT Group and Stapled Group	
	2022	2021
	\$'000	\$'000
Underwriting fees and selling commission	1,870	1,500
Professional fees	179	158
Other expenses	244	292
	2,293	1,950
These expenses were deducted/(credited) directly against Stapled Securityholders' funds:		
– issue expenses relating to private placement	2,293	1,950
– reversal of over provision of issue expenses	(24)	–
	2,269	1,950

34 DISPOSAL OF SUBSIDIARIES

In prior year, the list of subsidiaries disposed is as follows:

Name of subsidiaries	Date of disposal	Equity interest disposed %
Shanghai Xinwei Real Estate Development Co. Ltd.	27 May 2021	100.0

Effect of disposal

The cash flows relating to assets and liabilities of the subsidiaries disposed during the year ended 31 December 2021 are provided below:

CapitaLand Ascott REIT Group and Stapled Group	Note	2021 \$'000
Investment properties	4	79,647
Property, plant and equipment	5	356
Trade and other receivables		853
Cash and cash equivalents		5,976
Trade and other payables		(2,861)
Current tax liabilities		(9)
Net assets disposed		83,962
Transfer from foreign currency translation reserve to Statement of Total Return		(4,123)
Transfer from capital reserve to Statement of Total Return		(1,235)
Gain on disposal (before tax)		134,794
Tax expense relating to the divestment		(18,860)
Accrual of transaction costs		1,086
Cash flow on disposal of subsidiaries		195,624
Less: Cash disposed		(5,976)
Less: Deposit received		(6,191)
Add: Consideration to be refunded to the purchaser		128
Net cash flow on disposal of subsidiaries		183,585

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Stapled Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Stapled Group's exposure to each of the above risks, the Stapled Group's objectives, policies and processes for measuring and managing risk, and the Stapled Group's management of capital. Further quantitative disclosures are included throughout these financial statements. There were no changes in the Stapled Group's approach to financial risk management during the year.

Risk management framework

Risk management is integral to the whole business of the Stapled Group. The Stapled Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Managers continually monitor the Stapled Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Stapled Group's activities.

The Audit Committee oversees how management monitors compliance with the Stapled Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Stapled Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Stapled Group as and when they fall due.

Exposure to credit risk

Trade receivables

The Managers have established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the serviced residence management companies before lease agreements are entered into with customers. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

Notes to the Financial Statements

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35 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

As at 31 December 2022 and 31 December 2021, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position.

Concentration of credit risk relating to trade receivables is limited due to the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's varied tenants and a credit policy of collecting rental deposits on certain leases. These tenants are from a wide range of nationalities and are engaged in a wide spectrum of business activities.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	3,515	6,508	614	–	4,129	6,508
Australia	4,149	3,737	5,301	5,365	9,450	9,102
China	1,740	1,306	–	–	1,740	1,306
Europe (excluding United Kingdom)	3,477	3,916	–	–	3,477	3,916
Indonesia	355	560	–	–	355	560
Japan	1,412	2,562	1	1	1,413	2,563
Malaysia	39	24	–	–	39	24
Philippines	2,617	6,423	–	–	2,617	6,423
South Korea	–	–	1,382	936	1,382	936
United Kingdom	3,189	3,115	–	–	3,189	3,115
United States of America	7,663	5,085	–	–	7,663	5,085
Vietnam	715	415	–	–	715	415
	28,871	33,651	7,298	6,302	36,169	39,953

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

A summary of the Stapled Group's exposures to credit risk for trade receivables is as follows:

	Not credit impaired 2022 \$'000	Credit impaired 2022 \$'000	Total 2022 \$'000	Not credit impaired 2021 \$'000	Credit impaired 2021 \$'000	Total 2021 \$'000
CapitaLand Ascott REIT Group						
Current	19,624	11	19,635	22,420	11	22,431
Within 30 days	3,601	–	3,601	3,133	–	3,133
30 to 60 days	1,374	–	1,374	1,760	–	1,760
More than 60 days	4,844	6,714	11,558	6,775	6,132	12,907
Total gross carrying amount	29,443	6,725	36,168	34,088	6,143	40,231
Loss allowance	(572)	(6,725)	(7,297)	(437)	(6,143)	(6,580)
	28,871	–	28,871	33,651	–	33,651
CapitaLand Ascott BT Group						
Current	5,143	–	5,143	3,562	–	3,562
Within 30 days	929	20	949	1,506	–	1,506
30 to 60 days	272	–	272	155	–	155
More than 60 days	1,052	–	1,052	1,179	–	1,179
Total gross carrying amount	7,396	20	7,416	6,402	–	6,402
Loss allowance	(98)	(20)	(118)	(100)	–	(100)
	7,298	–	7,298	6,302	–	6,302
Stapled Group						
Current	24,767	11	24,778	25,982	11	25,993
Within 30 days	4,530	20	4,550	4,639	–	4,639
30 to 60 days	1,646	–	1,646	1,915	–	1,915
More than 60 days	5,896	6,714	12,610	7,954	6,132	14,086
Total gross carrying amount	36,839	6,745	43,584	40,490	6,143	46,633
Loss allowance	(670)	(6,745)	(7,415)	(537)	(6,143)	(6,680)
	36,169	–	36,169	39,953	–	39,953

There is an increase in credit-impaired balances for specific customers with liquidity constraints arising from the COVID-19 pandemic which contributed to the change in impairment allowances of \$628,000 (2021: \$5,069,000).

The movement in impairment losses in respect of trade and other receivables during the year is as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	6,585	1,467	100	205	6,685	1,672
Impairment losses recognised/(reversed)	389	5,179	27	(112)	416	5,067
Acquired from acquisition of investment properties	808	–	–	–	808	–
Utilised during the year	(335)	(67)	–	–	(335)	(67)
Translation differences	(146)	6	(9)	7	(155)	13
At 31 December	7,301	6,585	118	100	7,419	6,685

Based on historical default rates, the Stapled Group believes that, except for those recognised, no additional impairment is necessary in respect of trade and other receivables not past due. These receivables relate to customers that have a good credit record with the Stapled Group and/or rental deposits held.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Impairment losses

Expected credit loss assessment for customers of the Stapled Group

The credit quality of trade receivables of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group is assessed based on credit policies established by the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group. Trade and other receivables with high credit risk will be identified and monitored by the respective property. The CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as follows:

		Past due			
	Current	Within	30 to 60	More than	Total
	\$'000	30 days	days	60 days	\$'000
		\$'000	\$'000	\$'000	
2022					
CapitaLand Ascott REIT Group					
Expected loss rate	0.88%	1.69%	1.24%	60.97%	
Trade receivables	19,635	3,601	1,374	11,558	36,168
Loss allowance	172	61	17	7,047	7,297
CapitaLand Ascott BT Group					
Expected loss rate	1.44%	3.69%	1.84%	0.38%	
Trade receivables	5,143	949	272	1,052	7,416
Loss allowance	74	35	5	4	118
Stapled Group					
Expected loss rate	0.99%	2.11%	1.34%	55.92%	
Trade receivables	24,778	4,550	1,646	12,610	43,584
Loss allowance	246	96	22	7,051	7,415
2021					
CapitaLand Ascott REIT Group					
Expected loss rate	1.18%	0.64%	1.25%	48.60%	
Trade receivables	22,431	3,133	1,760	12,907	40,231
Loss allowance	265	20	22	6,273	6,580
CapitaLand Ascott BT Group					
Expected loss rate	0.48%	4.91%	0.65%	0.68%	
Trade receivables	3,562	1,506	155	1,179	6,402
Loss allowance	17	74	1	8	100
Stapled Group					
Expected loss rate	1.08%	2.03%	1.20%	44.59%	
Trade receivables	25,993	4,639	1,915	14,086	46,633
Loss allowance	282	94	23	6,281	6,680

No ageing analysis of other receivables is presented as majority of the outstanding balances as at 31 December 2022 is current.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Non-trade amounts due from related parties

Expected credit losses associated with the non-trade amounts due from related parties are assessed from estimated cash flows recoverable from the related parties based on the review of their financial strength (i.e. fair value of underlying net assets) and cash flow projections of their operations as at the reporting date.

The Stapled Group did not recognise any impairment arising from the amounts due from related parties as the ECL is not material.

Financial derivatives

The financial derivatives are entered into with banks and financial institution counterparties, which are regulated.

Cash and cash equivalents

The Stapled Group held cash and cash equivalents of \$363,634,000 at 31 December 2022 (2021: \$346,332,000). The cash and cash equivalents are held with banks and financial institution counterparties which are rated AA- to BBB-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 1-day expected loss basis and reflects the short maturities of the exposures. The Stapled Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Typically, the Stapled Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Stapled Group's reputation. The Managers also monitor and observe the CIS Code issued by MAS concerning limits on total borrowings. As at year end, the Stapled Group maintained several lines of credit and has complied with all debt covenants or obtained waivers to defer testing of debt covenant compliance to after the year end.

The Managers monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Stapled Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Stapled Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 31 December 2022, the Stapled Group is in a net current liabilities position of \$169.7 million (2021: \$508.5 million) and has current financial liabilities of \$401.7 million (2021: \$764.2 million) due in the next 12 months. The Managers are in discussions with various financial institutions to refinance these financial liabilities. The Managers do not expect any issue in refinancing these financial liabilities. In addition, the Stapled Group has unutilised credit facilities of approximately \$1,065.0 million (2021: \$690.2 million) expiring between February 2023 and July 2029, that can be drawn down to meet short-term financing needs. The Stapled Group also holds investment properties amounting to \$3.4 billion (2021: \$4.2 billion) which are not pledged as securities to banks for banking facilities as at year end.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Notes issued by the Stapled Group as at 31 December 2022 are as follows: (a) \$804.7 million (2021: \$565.9 million) under the \$2.0 billion (2021: \$2.0 billion) Amended MTN Programme; (b) \$113.5 million (2021: \$123.1 million) under the US\$2.0 billion (2021: US\$2.0 billion) EMTN Programme; and (c) \$Nil (2021: \$70.0 million) under the \$1.0 billion (2021: \$1.0 billion) Stapled MTN Programme.

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

			Cash flows		
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
CapitaLand Ascott REIT Group					
2022					
Non-derivative financial liabilities					
Floating rate loans	1,193,556	(1,377,767)	(177,613)	(960,401)	(239,753)
Fixed rate loans	505,345	(545,402)	(6,663)	(225,326)	(313,413)
Fixed rate notes	916,816	(1,005,888)	(128,718)	(705,256)	(171,914)
Lease liabilities	267,014	(364,230)	(19,522)	(81,919)	(262,789)
Trade and other payables ⁽¹⁾	207,874	(207,957)	(207,842)	(115)	–
	3,090,605	(3,501,244)	(540,358)	(1,973,017)	(987,869)
Derivative financial instruments					
Interest rate swaps					
– assets	(31,934)	35,485	12,792	20,489	2,204
– liabilities	5	(6)	(6)	–	–
Cross currency interest rate swaps					
– assets	(59,471)	101,426	36,044	65,382	–
– liabilities	6,939	11,049	6,394	4,655	–
	(84,461)	147,954	55,224	90,526	2,204
	3,006,144	(3,353,290)	(485,134)	(1,882,491)	(985,665)
2021					
Non-derivative financial liabilities					
Floating rate loans	1,260,333	(1,313,206)	(281,552)	(1,027,494)	(4,160)
Fixed rate loans	430,616	(459,526)	(99,927)	(212,573)	(147,026)
Fixed rate notes	688,765	(726,780)	(307,267)	(419,513)	–
Lease liabilities	275,879	(384,775)	(19,230)	(80,566)	(284,979)
Trade and other payables ⁽¹⁾	130,509	(130,509)	(130,509)	–	–
	2,786,102	(3,014,796)	(838,485)	(1,740,146)	(436,165)
Derivative financial instruments					
Interest rate swaps					
– assets	(1,995)	1,868	(579)	2,447	–
– liabilities	1,828	(2,053)	(1,787)	(266)	–
Cross currency interest rate swaps					
– assets	(17,355)	26,964	7,209	19,755	–
	(17,522)	26,779	4,843	21,936	–
	2,768,580	(2,988,017)	(833,642)	(1,718,210)	(436,165)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

		Cash flows			
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
CapitaLand Ascott BT Group					
2022					
Non-derivative financial liabilities					
Floating rate loans	224,650	(236,358)	(183,535)	(52,823)	–
Fixed rate loans	34,219	(35,816)	(1,195)	(34,621)	–
Lease liabilities	81,388	(122,563)	(11,957)	(47,830)	(62,776)
Trade and other payables ⁽¹⁾	193,982	(194,992)	(185,766)	(6,106)	(3,120)
	534,239	(589,729)	(382,453)	(141,380)	(65,896)
Derivative financial instruments					
Interest rate swaps					
– assets	(3,024)	3,821	3,821	–	–
Cross currency interest rate swaps					
– liabilities	810	786	786	–	–
	(2,214)	4,607	4,607	–	–
	532,025	(585,122)	(377,846)	(141,380)	(65,896)
2021					
Non-derivative financial liabilities					
Floating rate loans	242,922	(248,820)	(51,993)	(196,827)	–
Fixed rate loans	36,585	(39,568)	(1,302)	(38,266)	–
Fixed rate notes	69,703	(71,409)	(71,409)	–	–
Lease liabilities	99,972	(156,108)	(13,876)	(55,506)	(86,726)
Trade and other payables ⁽¹⁾	121,894	(123,176)	(112,652)	(7,086)	(3,438)
	571,076	(639,081)	(251,232)	(297,685)	(90,164)
Derivative financial instruments					
Interest rate swaps					
– assets	(1,097)	1,018	(130)	1,148	–
Cross currency interest rate swaps					
– assets	(10,312)	10,095	10,095	–	–
	(11,409)	11,113	9,965	1,148	–
	559,667	(627,968)	(241,267)	(296,537)	(90,164)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Stapled Group	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
2022					
Non-derivative financial liabilities					
Floating rate loans	1,418,206	(1,614,125)	(361,148)	(1,013,224)	(239,753)
Fixed rate loans	539,564	(581,218)	(7,858)	(259,947)	(313,413)
Fixed rate notes	916,816	(1,005,888)	(128,718)	(705,256)	(171,914)
Lease liabilities	267,014	(364,230)	(19,522)	(81,919)	(262,789)
Trade and other payables ⁽¹⁾	240,896	(241,991)	(232,650)	(6,221)	(3,120)
	3,382,496	(3,807,452)	(749,896)	(2,066,567)	(990,989)
Derivative financial instruments					
Interest rate swaps					
– assets	(34,958)	39,306	16,613	20,489	2,204
– liabilities	5	(6)	(6)	–	–
Cross currency interest rate swaps					
– assets	(59,471)	101,426	36,044	65,382	–
– liabilities	7,749	11,835	7,180	4,655	–
	(86,675)	152,561	59,831	90,526	2,204
	3,295,821	(3,654,891)	(690,065)	(1,976,041)	(988,785)
2021					
Non-derivative financial liabilities					
Floating rate loans	1,503,255	(1,562,026)	(333,545)	(1,224,321)	(4,160)
Fixed rate loans	467,201	(499,094)	(101,229)	(250,839)	(147,026)
Fixed rate notes	758,468	(798,189)	(378,676)	(419,513)	–
Lease liabilities	275,879	(384,775)	(19,230)	(80,566)	(284,979)
Trade and other payables ⁽¹⁾	163,274	(164,556)	(154,032)	(7,086)	(3,438)
	3,168,077	(3,408,640)	(986,712)	(1,982,325)	(439,603)
Derivative financial instruments					
Interest rate swaps					
– assets	(3,092)	2,886	(709)	3,595	–
– liabilities	1,828	(2,053)	(1,787)	(266)	–
Cross currency interest rate swaps					
– assets	(27,667)	37,059	17,304	19,755	–
	(28,931)	37,892	14,808	23,084	–
	3,139,146	(3,370,748)	(971,904)	(1,959,241)	(439,603)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The interest payments on the Stapled Group's sustainability-linked notes take into consideration the Stapled Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Stapled Group expects that it can no longer meet this target.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group and their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Foreign currency risk

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have exposure to foreign currency risk as a result of its operations in several countries. The currencies giving rise to this risk are Singapore Dollar ("SGD"), Australian Dollar ("AUD"), Chinese Renminbi ("RMB"), Euro ("EUR"), Sterling Pound ("GBP"), Hong Kong Dollar ("HKD"), Indonesian Rupiah ("IDR"), Korean Won ("KRW"), Japanese Yen ("JPY"), Malaysian Ringgit ("MYR"), Philippine Peso ("PHP"), US Dollar ("USD") and Vietnam Dong ("VND").

In order to manage the foreign currency risk, the Managers adopt foreign currency risk management strategies that include:

- entering into foreign currency forward contracts to hedge the foreign currency income from the overseas assets;
- the use of certain foreign currency denominated borrowings to match the capital values of the overseas assets as a natural hedge, whenever possible; and
- the use of certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from the Stapled Group's net investments in certain subsidiaries.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

The exposures to foreign currencies risk (excluding cross currency interest rate swaps that are designated as a hedge of net investments in foreign operations) as reported to the management of the CapitalLand Ascott REIT Group, the CapitalLand Ascott BT Group and the Stapled Group were as follows:

	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
CapitalLand Ascott REIT Group													
31 December 2022													
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	3,585	–	3,585
Trade and other receivables ⁽¹⁾	14,845	4,521	1,920	31,012	4,374	–	750	12,786	144	3,254	11,586	1,469	86,661
Intra-group receivables	47	34,099	5,088	257,798	121,154	–	–	114,257	10,456	444	267	2	543,612
Cash and cash equivalents	17,341	19,142	15,155	44,750	42,713	1	3,125	77,671	838	17,388	53,380	7,747	299,251
Trade and other payables ⁽²⁾	(29,751)	(9,475)	(8,190)	(61,602)	(11,965)	(13,598)	(2,371)	(12,047)	(737)	(8,931)	(27,468)	(5,854)	(191,989)
Intra-group payables	(2,414)	(10)	–	–	–	–	–	–	–	(266)	(67)	–	(2,757)
Financial liabilities	(719,567)	(46,391)	(17,487)	(206,254)	(35,137)	–	–	(777,427)	–	–	(812,894)	(560)	(2,615,717)
Lease liabilities	–	–	(11,724)	–	–	–	–	–	–	(15,232)	(240,058)	–	(267,014)
Gross currency exposure	(719,499)	1,886	(15,238)	65,704	121,139	(13,597)	1,504	(584,760)	10,701	(3,343)	(1,011,669)	2,804	(2,144,368)
Add/(less): Net exposure denominated in the respective entities'													
functional currencies	716,771	(14,588)	17,917	(15,184)	(32,892)	12	(1,504)	412,357	(400)	3,691	909,428	(2,804)	1,992,804
Add: Loan designated for net investment hedge ⁽³⁾	–	–	–	206,377	35,137	–	–	283,094	–	–	–	–	524,608
Add: Cross currency interest rate swap	–	–	–	–	–	–	–	–	–	–	69,739	–	69,739
Net exposure	(2,728)	(12,702)	2,679	256,897	123,384	(13,585)	–	110,691	10,301	348	(32,502)	–	442,783

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

CapitalLand Ascott REIT Group	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
31 December 2021													
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	3,536	–	3,536
Loan receivables – joint venture	–	–	–	–	–	–	–	–	–	–	14,011	–	14,011
Trade and other receivables ⁽¹⁾	13,328	4,002	1,451	34,880	5,106	–	1,041	5,412	156	7,460	8,497	1,472	82,805
Intra-group receivables	47	32,987	4,082	147,020	129,042	–	–	129,575	11,272	293	212,191	–	666,509
Cash and cash equivalents	37,883	13,452	21,264	29,342	30,856	7	4,584	108,031	675	12,567	32,301	10,201	301,163
Trade and other payables ⁽²⁾	(20,305)	(6,695)	(8,961)	(25,661)	(6,806)	(13,496)	(3,006)	(9,123)	(753)	(5,131)	(13,271)	(4,642)	(117,850)
Intra-group payables	(1,883)	–	–	–	–	–	–	–	–	–	(2,883)	–	(4,766)
Financial liabilities	(747,947)	(51,088)	(26,503)	(226,628)	(39,218)	–	–	(692,388)	–	–	(593,470)	(2,472)	(2,379,714)
Lease liabilities	–	–	(13,091)	–	–	–	–	–	–	(17,500)	(245,288)	–	(275,879)
Gross currency exposure	(718,877)	(7,342)	(21,758)	(41,047)	118,980	(13,489)	2,619	(458,493)	11,350	(2,311)	(584,376)	4,559	(1,710,185)
Add/(less): Net exposure denominated in the respective entities'	–	–	–	–	–	–	–	–	–	–	–	–	–
functional currencies	717,149	(10,147)	24,245	60,196	(26,915)	4	(2,619)	341,948	(246)	2,563	715,696	(4,559)	1,817,315
Add: Loan designated for net investment hedge ⁽³⁾	–	–	–	226,814	39,218	–	–	241,137	–	–	–	–	507,169
Add: Cross currency interest rate swap	–	–	–	–	–	–	–	–	–	–	–	–	–
Net exposure	(1,728)	(17,489)	2,487	245,963	131,283	(13,485)	–	124,592	11,104	252	200,175	–	683,154

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

CapitaLand Ascott BT Group	Singapore Dollar \$'000	Australian Dollar \$'000	Japanese Yen \$'000	Korean Won \$'000	US Dollar \$'000	Total foreign currencies \$'000
31 December 2022						
Trade and other receivables ⁽¹⁾	617	7,293	376	1,414	42	9,742
Intra-group receivables	–	141,715	36,995	105	–	178,815
Cash and cash equivalents	3,618	33,462	17,905	9,185	213	64,383
Trade and other payables ⁽²⁾	327	(26,762)	(6,454)	(4,370)	(113)	(37,372)
Financial liabilities	34	(175,462)	(983)	(33,236)	(49,222)	(258,869)
Gross currency exposure	4,596	(19,754)	47,839	(26,902)	(49,080)	(43,301)
Add/(less): Net exposure denominated in the respective entities' functional currencies	(4,596)	166,139	(9,934)	30,733	–	182,342
Net exposure	–	146,385	37,905	3,831	(49,080)	139,041
31 December 2021						
Trade and other receivables ⁽¹⁾	782	6,534	277	966	70	8,629
Intra-group receivables	–	155,297	42,287	–	–	197,584
Cash and cash equivalents	2,259	20,622	14,273	7,477	538	45,169
Trade and other payables ⁽²⁾	(971)	(22,063)	(7,225)	(3,789)	14	(34,034)
Financial liabilities	(69,702)	(193,018)	(1,186)	(36,585)	(48,719)	(349,210)
Gross currency exposure	(67,632)	(32,628)	48,426	(31,931)	(48,097)	(131,862)
Add/(less): Net exposure denominated in the respective entities' functional currencies	67,632	194,289	(6,037)	31,931	–	287,815
Add: Loan designated for net investment hedge ⁽³⁾	–	–	–	–	48,720	48,720
Net exposure	–	161,661	42,389	–	623	204,673

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

Stapled Group	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	Korean Won \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
31 December 2022														
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	–	3,585	–	3,585
Trade and other receivables ⁽¹⁾	15,462	11,814	1,920	31,012	4,374	–	750	13,162	144	3,254	1,414	11,628	1,469	96,403
Intra-group receivables	47	175,814	5,088	257,798	121,154	–	–	151,252	10,456	444	105	267	2	722,427
Cash and cash equivalents	20,959	52,604	15,155	44,750	42,713	1	3,125	95,576	838	17,388	9,185	53,593	7,747	363,634
Trade and other payables ⁽²⁾	(29,424)	(36,237)	(8,190)	(61,602)	(11,965)	(13,598)	(2,371)	(18,501)	(737)	(8,931)	(4,370)	(27,581)	(5,854)	(229,361)
Intra-group payables	(2,414)	(10)	–	–	–	–	–	–	–	(266)	–	(67)	–	(2,757)
Financial liabilities	(719,533)	(221,853)	(17,487)	(206,254)	(35,137)	–	–	(778,410)	–	–	(33,236)	(862,116)	(560)	(2,874,586)
Lease liabilities	–	–	(11,724)	–	–	–	–	–	–	(15,232)	–	(240,058)	–	(267,014)
Gross currency exposure	(714,903)	(17,868)	(15,238)	65,704	121,139	(13,597)	1,504	(536,921)	10,701	(3,343)	(26,902)	(1,060,749)	2,804	(2,187,669)
Add/(less): Net exposure denominated in the respective entities'	–	–	–	–	–	–	–	–	–	–	–	–	–	–
functional currencies	712,175	151,551	17,917	(15,184)	(32,892)	12	(1,504)	402,423	(400)	3,691	30,733	909,428	(2,804)	2,175,146
Add: Loan designated for net investment hedge ⁽³⁾	–	–	–	206,377	35,137	–	–	283,094	–	–	–	–	–	524,608
Add: Cross currency interest rate swap	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Net exposure	(2,728)	133,683	2,679	256,897	123,384	(13,585)	–	148,596	10,301	348	3,831	(81,582)	–	581,824

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	Korean Won \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
31 December 2021														
Loan receivables	-	-	-	-	-	-	-	-	-	-	-	3,536	-	3,536
- associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan receivables	-	-	-	-	-	-	-	-	-	-	-	14,011	-	14,011
- joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables ⁽¹⁾	14,110	10,536	1,451	34,880	5,106	-	1,041	5,689	156	7,460	966	8,567	1,472	91,434
Intra-group receivables	47	188,284	4,082	147,020	129,042	-	-	171,862	11,272	293	-	212,191	-	864,093
Cash and cash equivalents	40,142	34,074	21,264	29,342	30,856	7	4,584	122,304	675	12,567	7,477	32,839	10,201	346,332
Trade and other payables ⁽²⁾	(21,276)	(28,758)	(8,961)	(25,661)	(6,806)	(13,496)	(3,006)	(16,348)	(753)	(5,131)	(3,789)	(13,257)	(4,642)	(151,884)
Intra-group payables	(1,883)	-	-	-	-	-	-	-	-	-	-	(2,883)	-	(4,766)
Financial liabilities	(817,649)	(244,106)	(26,503)	(226,628)	(39,218)	-	-	(693,574)	-	-	(36,585)	(642,189)	(2,472)	(2,728,924)
Lease liabilities	-	-	(13,091)	-	-	-	-	-	-	(17,500)	-	(245,288)	-	(275,879)
Gross currency exposure	(786,509)	(39,970)	(21,758)	(41,047)	118,980	(13,489)	2,619	(410,067)	11,350	(2,311)	(31,931)	(632,473)	4,559	(1,842,047)
Add/(less): Net exposure denominated in the respective entities'	-	-	-	-	-	-	-	-	-	-	-	-	-	-
functional currencies	784,781	184,142	24,245	60,196	(26,915)	4	(2,619)	335,911	(246)	2,563	31,931	715,696	(4,559)	2,105,130
Add: Loan designated for net investment hedge ⁽³⁾	-	-	-	226,814	39,218	-	-	241,137	-	-	-	48,720	-	555,889
Add: Cross currency interest rate swap	-	-	-	-	-	-	-	-	-	-	-	68,855	-	68,855
Net exposure	(1,728)	144,172	2,487	245,963	131,283	(13,485)	-	166,981	11,104	252	-	200,798	-	887,827

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Stapled Group entities' Statements of Financial Position measured in the respective functional currencies, translated into Singapore dollars at the exchange rate at the reporting date for presentation purposes.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

Sensitivity analysis

The following table indicates the approximate increase/(decrease) in the Statement of Total Return of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group in response to a 10% increase in foreign exchange rates to which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group has significant exposure at the reporting date as compared to the functional currencies of the respective entities. The sensitivity analysis includes balances in group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore Dollar ⁽¹⁾	(273)	(173)	–	–	(273)	(173)
Australian Dollar ⁽²⁾	(1,270)	(1,749)	14,639	16,166	13,369	14,417
Chinese Renminbi ⁽²⁾	268	249	–	–	268	249
Euro ⁽²⁾	25,690	24,596	–	–	25,690	24,596
Sterling Pound ⁽²⁾	12,338	13,128	–	–	12,338	13,128
Hong Kong Dollar ⁽²⁾	(1,359)	(1,349)	–	–	(1,359)	(1,349)
Japanese Yen ⁽³⁾	11,069	12,459	3,791	4,239	14,860	16,698
Malaysian Ringgit ⁽²⁾	1,030	1,110	–	–	1,030	1,110
Philippine Peso ⁽²⁾	35	25	–	–	35	25
Korean Won ⁽²⁾	–	–	383	–	383	–
US Dollar ⁽⁴⁾	(3,250)	20,018	(4,908)	62	(8,158)	20,080

(1) As compared to functional currencies of Chinese Renminbi and US Dollar.

(2) As compared to functional currency of Singapore Dollar.

(3) As compared to functional currencies of Singapore Dollar and Chinese Renminbi.

(4) As compared to functional currencies of Singapore Dollar, Chinese Renminbi, Indonesian Rupiah, Philippine Peso, Hong Kong Dollar and Vietnam Dong.

A decrease in foreign exchange rates to which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have significant exposure at the reporting date as compared to the functional currencies of the respective entities would have had the equal but opposite effect on the above currencies to the amounts shown above. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Stapled Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group adopt a policy of ensuring that up to 80% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

At 31 December 2022, the Stapled Group has interest rate swaps classified as cash flow hedges with notional contractual amount of \$587.5 million (2021: \$581.2 million) which pay fixed interest rates averaging 0.30% to 1.21% (2021: 0.30% to 0.82%) per annum and receive variable rates on the notional amount and cross currency interest rate swaps classified as cash flow hedge with notional contractual amount of \$194.9 million (2021: \$207.9 million) which pay fixed interest rates and receive variable rates.

The Stapled Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Stapled Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Stapled Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings. Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of the uncertainty about when and how replacement may occur for the relevant hedged item and hedging instrument due to the interest rate benchmark reform transition. For further details, see 'Managing interest rate benchmark reform and associated risks' below.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Stapled Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Stapled Group's main IBOR exposure at 31 December 2022 was indexed to SGD SOR and USD LIBOR. These benchmark rates will lose representativeness or discontinue and be replaced with alternative interest rates benchmarks in various countries from 1 July 2023.

The Managers monitor and manage the Stapled Group's transition to alternative rates. The Managers evaluate the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Non-derivative financial liabilities

The Stapled Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 included unsecured bank loans indexed to SGD SOR. The Stapled Group is in communication with the counterparties to progressively transition non-derivative financial liabilities which are indexed to the affected interest rate benchmarks to alternative risk-free rates.

Derivatives

The Stapled Group holds interest rate swaps and cross currency interest rate swaps for risk management purposes which are designated in cash flow hedging relationship. The interest rate swap and cross currency swap have floating legs that are indexed to SORA, GBP IBOR, USD LIBOR, USD SOFR and JPY IBOR. The Stapled Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association ("ISDA")'s master agreements. The Stapled Group is still in the process of communication with the counterparties for all USD LIBOR indexed exposures and specific changes have yet been agreed. The Stapled Group has generally adhered to the ISDA 2020 IBOR Fallbacks Protocol to include new fallback clauses with the derivatives counterparties.

Hedge accounting

The Stapled Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by interest rate benchmark reform as at 31 December 2022. The Stapled Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SGD SOR and USD LIBOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Stapled Group's SGD SOR and USD LIBOR cash flow hedging relationships extend beyond the anticipated cessation dates of the respective rates. The Stapled Group is actively engaging with the lenders to include appropriate fallback provisions in its floating rate liabilities with maturities beyond the cessation dates of the affected interest rate benchmarks. The hedging instruments will be modified as outlined under 'Derivatives' above. The Stapled Group continues to apply the amendments to FRS 109/SFRS(I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Stapled Group monitors the progress of transition from IBOR to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Stapled Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

The following table contains details of all the financial instruments that the CapitalLand Ascott REIT Group and the Stapled Group hold which have not yet transitioned to the new benchmark rates. The financial instruments held by the CapitalLand Ascott BT Group as at 31 December 2021 and 31 December 2022 are not affected by IBORs transition.

CapitalLand Ascott REIT Group and Stapled Group

31 December 2022

Financial assets

Interest rate swaps

Financial liabilities

Unsecured bank loans

Total

31 December 2021

Financial assets

Gross currency swaps

Interest rate swaps

Financial liabilities

Secured bank loans

Unsecured bank loans

Interest rate swaps

Total

	SGD\$OR		USD\$LIBOR		GBP\$LIBOR		JPY\$LIBOR	
	Carrying amount \$'000	Of which: Not yet transitioned to an alternative benchmark rate \$'000	Carrying amount \$'000	Of which: Not yet transitioned to an alternative benchmark rate \$'000	Carrying amount \$'000	Of which: Not yet transitioned to an alternative benchmark rate \$'000	Carrying amount \$'000	Of which: Not yet transitioned to an alternative benchmark rate \$'000
	-	-	11,600	11,600	-	-	-	-
	(46,800)	(46,800)	-	-	-	-	-	-
	(46,800)	(46,800)	11,600	11,600	-	-	-	-
	8,907	8,907	-	-	-	-	-	-
	-	-	1,523	1,523	472	472	-	-
	8,907	8,907	1,523	1,523	472	472	-	-
	-	-	(119,624)	(119,624)	-	-	-	-
	(129,197)	(129,197)	-	-	(39,177)	(39,177)	(94,971)	(94,971)
	-	-	-	-	-	-	(165)	(165)
	(129,197)	(129,197)	(119,624)	(119,624)	(39,177)	(39,177)	(95,136)	(95,136)
	(120,290)	(120,290)	(118,101)	(118,101)	(38,705)	(38,705)	(95,136)	(95,136)

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	CapitaLand Ascott REIT Group		Carrying amount CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments						
Financial liabilities	(1,422,161)	(1,119,381)	(34,219)	(106,288)	(1,456,380)	(1,225,669)
Variable rate instruments						
Financial liabilities	(1,193,556)	(1,260,333)	(224,650)	(242,922)	(1,418,206)	(1,503,255)

To manage its exposure to interest rate movements on its variable rate financial liabilities, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group enter into interest rate swaps and cross currency interest rate swaps. The following cross currency interest rate swaps are used to exchange:

- (a) floating rate interest on USD loan of USD76.3 million (2021: USD80.9 million) for fixed rate JPY interest; and
- (b) floating rate interest on SGD loan of SGD90.3 million (2021: SGD90.3 million) for fixed rate JPY interest.

The hedge relationships for which hedge accounting have been adopted are effective in the financial year ended 31 December 2022 and 31 December 2021.

Fair value sensitivity analysis for fixed rate instruments

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group do not account for any fixed rate financial liabilities at fair value through total return, and the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group do not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect the Statement of Total Return.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rate at the reporting date would increase/(decrease) Stapled Securityholders' funds and Statement of Total Return by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	Statement of Total Return		Stapled Securityholders' funds	
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000
CapitaLand Ascott REIT Group				
31 December 2022				
Variable rate financial liabilities	(12,007)	12,007	–	–
Interest rate swaps/Cross currency interest rate swaps	6,166	(6,166)	1,328	(1,328)
Cash flow sensitivity (net)	(5,841)	5,841	1,328	(1,328)
31 December 2021				
Variable rate financial liabilities	(12,651)	12,651	–	–
Interest rate swaps/Cross currency interest rate swaps	5,962	(5,962)	1,072	(1,072)
Cash flow sensitivity (net)	(6,689)	6,689	1,072	(1,072)
CapitaLand Ascott BT Group				
31 December 2022				
Variable rate financial liabilities	(2,249)	2,249	–	–
Interest rate swaps/Cross currency interest rate swaps	1,657	(1,657)	409	(409)
Cash flow sensitivity (net)	(592)	592	409	(409)
31 December 2021				
Variable rate financial liabilities	(2,433)	2,433	–	–
Interest rate swaps/Cross currency interest rate swaps	1,929	(1,929)	483	(483)
Cash flow sensitivity (net)	(504)	504	483	(483)
Stapled Group				
31 December 2022				
Variable rate financial liabilities	(14,256)	14,256	–	–
Interest rate swaps/Cross currency interest rate swaps	7,823	(7,823)	1,737	(1,737)
Cash flow sensitivity (net)	(6,433)	6,433	1,737	(1,737)
31 December 2021				
Variable rate financial liabilities	(15,084)	15,084	–	–
Interest rate swaps/Cross currency interest rate swaps	7,891	(7,891)	1,555	(1,555)
Cash flow sensitivity (net)	(7,193)	7,193	1,555	(1,555)

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting

At 31 December 2022, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Notional amount directly impacted by IBOR reform	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness			Weighted average hedge rate	Maturity date
		Contractual notional amount	Assets/ (Liabilities)	Financial statement line item	Hedging instrument	Hedged item	Hedge ineffectiveness recognised in Statement of Total Return		
CapitalLand Ascott REIT Group									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	124,595	456,560	31,929	Derivative financial instruments	33,112	(33,112)	–	1.21%	2023 – 2029
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	69,739	488	Derivative financial instruments	1,644	(1,644)	–	2.91%	2023
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	–	90,300	2,040	Derivative financial instruments	1,229	(1,229)	–	2.37%	2025
Foreign exchange risk									
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	–	(69,629)	Borrowings	(884)	884	–	–	2023

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitalLand Ascott REIT Group							
Net investment hedges							
<i>Foreign exchange risk</i>							
– Borrowings to hedge net investments in foreign operations	–	(524,001)	Borrowings	9,283	(9,283)	–	– 2023 – 2029
– Cross currency interest rate swaps to hedge net investments in foreign operations	585,000	20,693	Derivative financial instruments	26,848	(26,848)	–	EUR 1:\$1.54 JPY97.80:\$1 2023 – 2027
– USD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	10,701	Derivative financial instruments	7,068	(7,068)	–	JPY83.20:\$1 2023
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	18,610	Derivative financial instruments	10,516	(10,516)	–	JPY77.52:\$1 2025

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Notional amount directly impacted by IBOR reform \$'000	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				Weighted average hedge rate	Maturity date
		Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000			
CapitalLand Ascott BT Group										
Cash flow hedges										
<i>Interest rate risk</i>										
– Interest rate swaps to hedge floating rate borrowings	–	130,906	3,024	Derivative financial instruments	3,425	(3,425)	–	0.30%		2023
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	34,817	(166)	Derivative financial instruments	(175)	175	–	2.20%		2023
Net investment hedges										
<i>Foreign exchange risk</i>										
– USD/JPY cross currency interest rate swap to hedge JPY net investments		– ⁽¹⁾	(644)	Derivative financial instruments	(644)	644	–	JPY135:USD1		2023

(1) Contractual notional amount of the USD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

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Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Notional amount directly impacted by IBOR reform \$'000	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness			Weighted average hedge rate	Maturity date
		Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000		
Stapled Group									
Cash flow hedges									
<i>Interest rate risk</i>									
– Interest rate swaps to hedge floating rate borrowings	124,595	587,466	34,953	Derivative financial instruments	36,559	(36,559)	–	0.30% to 1.21%	2023 – 2029
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	104,556	322	Derivative financial instruments	1,469	(1,469)	–	2.20% to 2.91%	2023
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	–	90,300	2,040	Derivative financial instruments	1,229	(1,229)	–	2.37%	2025
<i>Foreign exchange risk</i>									
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	–	(69,629)	Borrowings	(884)	884	–	–	2023

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
Stapled Group							
Net investment hedges							
<i>Foreign exchange risk</i>							
– Borrowings to hedge net investments in foreign operations	–	(524,001)	Borrowings	9,283	(9,283)	–	2023 – 2029
– Cross currency interest rate swaps to hedge net investments in foreign operations	585,000	20,693	Derivative financial instruments	26,848	(26,848)	–	EUR 1:\$1.54 JPY97.80:\$1
– USD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	10,057	Derivative financial instruments	6,424	(6,424)	–	JPY83.20:\$1 JPY135:USD1
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	18,610	Derivative financial instruments	10,516	(10,516)	–	JPY77.52:\$1

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

At 31 December 2021, the CapitalLand Ascott REIT Group, the CapitalLand Ascott BT Group and the Stapled Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Notional amount directly impacted by IBOR reform \$'000	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness			Weighted average hedge rate	Maturity date
		Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000		
CapitalLand Ascott REIT Group									
Cash flow hedges									
<i>Interest rate risk</i>									
– Interest rate swaps to hedge floating rate borrowings	257,350	437,088	167	Derivative financial instruments	2,080	(2,080)	–	0.82%	2022 – 2026
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	68,855	(1,157)	Derivative financial instruments	2,958	(2,958)	–	1.19%	2023
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	90,300	81.1	Derivative financial instruments	1,206	(1,206)	–	1.46%	2025
<i>Foreign exchange risk</i>									
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	–	(68,630)	Borrowings	(277)	277	–	–	2023

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitalLand Ascott REIT Group							
Net investment hedges							
<i>Foreign exchange risk</i>							
– Borrowings to hedge net investments in foreign operations	–	(506,277)	Borrowings	26,637	(26,637)	–	– 2022 – 2025
– Cross currency interest rate swaps to hedge net investments in foreign operations	420,000	5,973	Derivative financial instruments	20,194	(20,194)	–	EUR 1:\$1.53 2022 – 2024
– USD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	3,632	Derivative financial instruments	4,626	(4,626)	–	JPY83.20:\$1 2023
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	8,096	Derivative financial instruments	7,402	(7,402)	–	JPY77.52:\$1 2025

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Notional amount directly impacted by IBOR reform \$'000	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitalLand Ascott BT Group								
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	–	144,160	1,097	Derivative financial instruments	1,434	(1,434)	–	0.30%
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	40,600	11	Derivative financial instruments	(35)	35	–	1.38%
– USD/KRW cross currency interest rate swap to swap USD floating rate interest for KRW fixed rate interest	–	8,120	(1)	Derivative financial instruments	77	(77)	–	1.38%
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations		–	(48,718)	Borrowings	(196)	196	–	–
– Cross currency interest rate swaps to hedge net investments in foreign operations		69,000	9,200	Derivative financial instruments	4,265	(4,265)	–	JPY74.95:\$1
– USD/JPY cross currency interest rate swap to hedge JPY net investments		– ⁽¹⁾	380	Derivative financial instruments	4,509	(4,509)	–	JPY114:USD1
– USD/KRW cross currency interest rate swap to hedge KRW net investments		– ⁽¹⁾	722	Derivative financial instruments	698	(698)	–	KRW1.083:USD1

(1) Contractual notional amount of the USD/JPY and USD/KRW cross currency interest rate swap is disclosed under "Cash flow hedges".

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Notional amount directly impacted by IBOR reform \$'000	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness			Weighted average hedge rate	Maturity date
		Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000		
Stapled Group									
Cash flow hedges									
<i>Interest rate risk</i>									
– Interest rate swaps to hedge floating rate borrowings	257,350	581,248	1,264	Derivative financial instruments	3,533	(3,533)	–	0.30% – 0.82%	2022 – 2026
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	109,455	(1,146)	Derivative financial instruments	2,923	(2,923)	–	1.19% – 1.38%	2022 – 2023
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	90,300	811	Derivative financial instruments	1,206	(1,206)	–	1.46%	2025
– USD/KRW cross currency interest rate swap to swap USD floating rate interest for KRW fixed rate interest	–	8,120	(1)	Derivative financial instruments	77	(77)	–	1.38%	2022
<i>Foreign exchange risk</i>									
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	–	(68,630)	Borrowings	(277)	277	–	–	2023

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
Stapled Group							
Net investment hedges							
<i>Foreign exchange risk</i>							
– Borrowings to hedge net investments in foreign operations	–	(554,995)	Borrowings	26,441	(26,441)	–	2022 – 2025
– Cross currency interest rate swaps to hedge net investments in foreign operations	489,000	15,173	Derivative financial instruments	24,459	(24,459)	–	2022 – 2024
– USD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	4,012	Derivative financial instruments	9,135	(9,135)	–	2022 – 2023
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	– ⁽¹⁾	8,096	Derivative financial instruments	7,402	(7,402)	–	2025
– USD/KRW cross currency interest rate swap to hedge KRW net investments	– ⁽¹⁾	722	Derivative financial instruments	698	(698)	–	2022

(1) Contractual notional amount of the USD/JPY, SGD/JPY and USD/KRW cross currency interest rate swap is disclosed under "Cash flow hedges".

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

The following table provides a reconciliation by risk category of components of Stapled Securityholders' funds resulting from cash flow hedge accounting.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Hedging reserve						
Balance as at 1 January	(42)	(9,356)	1,470	(415)	1,444	(9,774)
Cash flow hedges						
Change in fair value						
– Interest rate risk	35,985	6,244	3,250	1,476	39,257	7,739
– Foreign exchange risk	(884)	(277)	–	–	(884)	(277)
Amounts reclassified to Statement of Total Return						
– Interest rate risk	(1,095)	3,347	(1,292)	409	(2,387)	3,756
Balance as at 31 December	33,964	(42)	3,428	1,470	37,430	1,444

Net investment hedge

A foreign currency exposure arises from the Stapled Group's net investment in its subsidiaries in Europe and Japan that has a EUR, GBP and JPY functional currency respectively. The risk arises from the fluctuation in spot exchange rates between the EUR, GBP, JPY and SGD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedges are the risk of a weakening EUR, GBP and JPY against the SGD that will result in a reduction in the carrying amount of the Stapled Group's net investment in its subsidiaries in Europe and Japan.

Part of the Stapled Group's net investments in certain subsidiaries in Europe and Japan are hedged through the use of EUR, GBP and JPY denominated borrowings.

The Stapled Group also entered into cross currency interest rate swaps to swap fixed rate SGD medium term notes for fixed rate EUR and JPY obligations. The SGD medium term notes, which together with the cross currency interest rate swap arrangement, have been used to hedge the Stapled Group's foreign currency risk on the net investment in the subsidiaries in Europe and Japan.

The Stapled Group has also designated USD denominated borrowings, together with certain cross currency interest rate swaps, to hedge its net investment in the subsidiaries in Japan.

The Stapled Group also entered into a cross currency interest rate swap to swap floating rate USD loan for fixed rate JPY obligations. The JPY portion of this cross currency interest rate swap have been designated as a hedge of the Stapled Group's foreign currency risk on the net investment in the subsidiaries in Japan. The USD floating rate loan, together with the swap of the floating USD interest for fixed JPY interest under the cross currency interest rate swap, is designated as a cash flow hedge.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Net investment hedge (continued)

As at the reporting date, the carrying amount of these borrowings was \$524,001,000 (2021: \$554,995,000) and the fair value of the borrowings was \$529,983,000 (2021: \$567,792,000). The net investment hedges were effective during the year. The Stapled Group's investments in other subsidiaries are not hedged.

The Stapled Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount. The Stapled Group assess the effectiveness of each hedging relationship by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Stapled Group's Statement of Financial Position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the Statement of Financial Position.

The Stapled Group's derivative transactions that are not transacted on an exchange are entered into under ISDA Master Netting Agreements. In general, under such agreements, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Stapled Group or the counterparties. In addition, the Stapled Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement

CapitalLand Ascott REIT Group	Gross amount of recognised financial assets/ (liabilities) \$'000	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position \$'000	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position \$'000	Related amount not offset in the Statement of Financial Position \$'000	Net amount \$'000
31 December 2022					
Financial assets					
Interest rate swaps	31,934	–	31,934	–	31,934
Cross currency interest rate swaps	59,471	–	59,471	–	59,471
Trade and other receivables	11,536	(11,536)	–	–	–
Financial liabilities					
Interest rate swaps	(5)	–	(5)	–	(5)
Cross currency interest rate swaps	(6,939)	–	(6,939)	–	(6,939)
Trade and other payables	(13,420)	11,536	(1,884)	–	(1,884)
31 December 2021					
Financial assets					
Interest rate swaps	1,995	–	1,995	–	1,995
Cross currency interest rate swaps	17,355	–	17,355	–	17,355
Trade and other receivables	11,390	(11,390)	–	–	–
Financial liabilities					
Interest rate swaps	(1,828)	–	(1,828)	–	(1,828)
Trade and other payables	(13,304)	11,390	(1,914)	–	(1,914)

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement (continued)

CapitalLand Ascott BT Group	Gross amount of recognised financial assets/ (liabilities) \$'000	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position \$'000	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position \$'000	Related amount not offset in the Statement of Financial Position \$'000	Net amount \$'000
31 December 2022					
Financial assets					
Interest rate swaps	3,024	–	3,024	–	3,024
Financial liabilities					
Cross currency interest rate swaps	(810)	–	(810)	–	(810)
31 December 2021					
Financial assets					
Interest rate swaps	1,097	–	1,097	–	1,097
Cross currency interest rate swaps	10,312	–	10,312	–	10,312

Notes to the Financial Statements

Year ended 31 December 2022

35 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement (continued)

Stapled Group	Gross amount of recognised financial assets/ (liabilities) \$'000	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position \$'000	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position \$'000	Related amount not offset in the Statement of Financial Position \$'000	Net amount \$'000
31 December 2022					
Financial assets					
Interest rate swaps	34,958	–	34,958	–	34,958
Cross currency interest rate swaps	59,471	–	59,471	–	59,471
Trade and other receivables	11,536	(11,536)	–	–	–
Financial liabilities					
Interest rate swaps	(5)	–	(5)	–	(5)
Cross currency interest rate swaps	(7,749)	–	(7,749)	–	(7,749)
Trade and other payables	(13,420)	11,536	(1,884)	–	–
31 December 2021					
Financial assets					
Interest rate swaps	3,092	–	3,092	–	3,092
Cross currency interest rate swaps	27,667	–	27,667	–	27,667
Trade and other receivables	11,390	(11,390)	–	–	–
Financial liabilities					
Interest rate swaps	(1,828)	–	(1,828)	–	(1,828)
Trade and other payables	(13,304)	11,390	(1,914)	–	(1,914)

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the Statements of Financial Position that are disclosed in the above tables are measured in the Statements of Financial Position on the following basis:

- cross currency interest rate swaps and interest rate swaps – fair value; and
- trade and other receivables and trade and other payables – amortised cost.

Notes to the Financial Statements

Year ended 31 December 2022

36 RELATED PARTIES

In the normal course of the operations of the CapitaLand Ascott REIT Group, the REIT Manager's management fees and the REIT Trustee's fees have been paid or are payable to the REIT Manager and the REIT Trustee, respectively.

In the normal course of the operations of the CapitaLand Ascott BT Group, the BT Trustee-Manager's management fees and the BT Trustee-Manager's trustee fees have been paid or are payable to the BT Trustee-Manager.

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions, which were carried out in the normal course of business on arm's length commercial terms:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Acquisition fees paid/ payable to the REIT Manager	3,524	6,251	–	–	3,524	6,251
Compensation fees paid/ payable to related corporations	–	2,430	–	–	–	2,430
Divestment fees paid/payable to the REIT Manager	6	2,193	–	–	6	2,193
Rental income received/ receivable from related corporations	(3,259)	(2,550)	–	–	(3,259)	(2,550)
Rental income received/ receivable from master lease arrangements with related corporations	(51,566)	(47,095)	–	–	(51,566)	(47,095)
Rental income received/ receivable from master lease arrangements with the CapitaLand Ascott BT Group	(14,554)	(14,379)	–	–	–	–
Serviced residence management fees paid/ payable to related corporations	12,861	6,313	215	–	13,076	6,313
Service fee paid/payable to related corporations	18,298	15,044	506	–	18,804	15,044

Notes to the Financial Statements

Year ended 31 December 2022

37 FINANCIAL RATIOS

	CapitaLand Ascott REIT Group		Stapled Group	
	2022	2021	2022	2021
	%	%	%	%
Ratio of expenses to average net asset value ⁽¹⁾				
– including performance component of the REIT Manager's management fees	0.98	0.94	1.01	0.96
– excluding performance component of the REIT Manager's management fees	0.76	0.81	0.78	0.82
Portfolio turnover rate ⁽²⁾	0.01	6.99	0.01	6.06

(1) The annualised ratio is computed in accordance with guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the CapitaLand Ascott REIT Group and the Stapled Group level, excluding property related expenses, borrowing costs and foreign exchange gains/(losses).

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the CapitaLand Ascott REIT Group and the Stapled Group expressed as a percentage of weighted average net asset value.

38 OPERATING SEGMENTS

Segment information is presented in respect of the geographical segments of the Stapled Group. The operations of each of the Stapled Group's geographical segments are separately managed because of the different economic environments in which they operate in. For each of the reportable segments, the CEO of the Managers review internal management reports on a monthly basis, at minimum, for strategic decision making, performance assessment and resource allocation purpose.

Performance measurement based on segment gross profit and non-financial assets as well as financial assets attributable to each segment is used as the Managers believe that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, corporate assets and expenses, and income tax expense. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the reportable segments of the Stapled Group is presented in the following tables.

Notes to the Financial Statements

Year ended 31 December 2022

38 OPERATING SEGMENTS (continued)

Information about reportable segments

Geographical segments

The principal business of the Stapled Group are investing in investment properties.

Stapled Group	Singapore \$'000	Australia \$'000	Belgium \$'000	China \$'000	France \$'000	Germany \$'000	Indonesia \$'000	Japan \$'000	Subtotal \$'000
Year ended 31 December 2022									
Gross rental income	46,380	34,491	11,259	22,336	25,167	12,783	13,601	54,613	220,630
Hotel revenue	4,511	118,568	–	–	–	–	–	–	123,079
Other income	484	2,799	702	678	2,078	589	155	2,956	10,441
Gross revenue	51,375	155,858	11,961	23,014	27,245	13,372	13,756	57,569	354,150
Direct expenses	(22,172)	(108,554)	(8,587)	(18,118)	(2,247)	(1,135)	(8,543)	(20,401)	(189,757)
Segment gross profit	29,203	47,304	3,374	4,896	24,998	12,237	5,213	37,168	164,393
Net change in fair value of investment properties, investment properties under development and assets held for sale									
Depreciation of buildings, plant and machinery	68,165	6,867	(3,368)	(14,364)	(3,188)	(1,968)	1,794	5,745	59,683
Revaluation surplus on land and buildings	(1,179)	(19,317)	–	–	–	–	–	–	(20,496)
	–	5,393	–	–	–	–	–	–	5,393

Notes to the Financial Statements

Year ended 31 December 2022

38 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia \$'000	Philippines \$'000	South Korea \$'000	Spain \$'000	United Kingdom \$'000	United States of America \$'000	Vietnam \$'000	Subtotal \$'000	Total \$'000
Year ended 31 December 2022									
Gross rental income	3,608	18,531	5,471	7,073	51,645	146,235	26,384	258,947	479,577
Hotel revenue	–	–	–	–	–	–	–	–	123,079
Other income	108	1,033	–	391	743	4,651	1,219	8,145	18,586
Gross revenue	3,716	19,564	5,471	7,464	52,388	150,886	27,603	267,092	621,242
Direct expenses	(2,753)	(14,072)	(509)	(3,976)	(29,524)	(84,249)	(13,584)	(148,667)	(338,424)
Segment gross profit	963	5,492	4,962	3,488	22,864	66,637	14,019	118,425	282,818
Net change in fair value of investment properties, investment properties under development and assets held for sale									
Depreciation of buildings, plant and machinery	37	1,024	2,964	(3,562)	16,019	57,223	(11,035)	62,670	122,353
Revaluation surplus on land and buildings	–	–	–	–	–	–	–	–	(20,496)
Finance income	–	–	–	–	–	–	–	–	5,393
Finance costs	–	–	–	–	–	–	–	–	1,468
Profit from divestments	–	–	–	–	–	–	–	–	(69,012)
Unallocated net expense	–	–	–	–	–	–	–	–	99
Reportable segment profit before income tax	–	–	–	–	–	–	–	–	(62,840)
Income tax expense	–	–	–	–	–	–	–	–	259,783
Total return for the year	–	–	–	–	–	–	–	–	(33,563)
									226,220

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38 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Singapore \$'000	Australia \$'000	Belgium \$'000	China \$'000	France \$'000	Germany \$'000	Indonesia \$'000	Japan \$'000	Subtotal \$'000
Year ended 31 December 2021									
Gross rental income	26,927	15,931	5,011	25,962	25,024	14,557	10,377	55,052	178,841
Hotel revenue	–	77,172	–	–	–	–	–	–	77,172
Other income	1,051	2,543	613	736	1,948	633	120	3,089	10,733
Gross revenue	27,978	95,646	5,624	26,698	26,972	15,190	10,497	58,141	266,746
Direct expenses	(8,767)	(73,774)	(5,093)	(19,856)	(2,133)	(1,047)	(7,936)	(19,187)	(137,793)
Segment gross profit	19,211	21,872	531	6,842	24,839	14,143	2,561	38,954	128,953
Net change in fair value of investment properties, investment properties under development and assets held for sale									
Depreciation of buildings, plant and machinery	4,537	(3,083)	(335)	(147)	15,625	(707)	1,457	24,280	41,627
Revaluation surplus on land and buildings	–	(19,015)	–	–	–	–	–	–	(19,015)
	–	21,201	–	–	–	–	–	–	21,201

Notes to the Financial Statements

Year ended 31 December 2022

38

OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia \$'000	Philippines \$'000	South Korea \$'000	Spain \$'000	United Kingdom \$'000	United States of America \$'000	Vietnam \$'000	Subtotal \$'000	Total \$'000
Year ended 31 December 2021									
Gross rental income	2,152	14,012	4,478	3,667	24,713	55,479	19,922	124,423	303,264
Hotel revenue	–	–	–	–	–	–	–	–	77,172
Other income	69	570	–	258	306	1,163	877	3,243	13,976
Gross revenue	2,221	14,582	4,478	3,925	25,019	56,642	20,799	127,666	394,412
Direct expenses	(2,239)	(11,259)	(491)	(2,428)	(12,521)	(44,318)	(10,073)	(83,329)	(221,122)
Segment gross profit	(18)	3,323	3,987	1,497	12,498	12,324	10,726	44,337	173,290
Net change in fair value of investment properties, investment properties under development and assets held for sale									
Depreciation of buildings, plant and machinery	46	(4,453)	(107)	(1,260)	46,464	53,535	(9,794)	84,431	126,058
Revaluation surplus on land and buildings	–	–	–	–	–	–	–	–	(19,015)
Finance income	–	–	–	–	–	–	–	–	21,201
Finance costs	–	–	–	–	–	–	–	–	3,070
Profit from divestments	–	–	–	–	–	–	–	–	(55,977)
Unallocated net expense	–	–	–	–	–	–	–	–	153,226
Reportable segment profit before income tax	–	–	–	–	–	–	–	–	(26,921)
Income tax expense	–	–	–	–	–	–	–	–	374,932
Total return for the year	–	–	–	–	–	–	–	–	(64,515)
									310,417

Notes to the Financial Statements

Year ended 31 December 2022

38

OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Singapore \$'000	Australia \$'000	Belgium \$'000	China \$'000	France \$'000	Germany \$'000	Indonesia \$'000	Japan \$'000	Subtotal \$'000
2022									
Assets and liabilities									
Reportable segment assets	1,369,143	1,018,501	61,586	294,934	633,664	242,631	94,245	1,408,562	5,123,266
Reportable segment liabilities	90,082	296,058	39,700	87,719	332,658	125,672	7,079	1,372,505	2,351,473
Other Segmental Information									
Capital expenditure:									
– investment properties	60	2,159	350	72	4,742	28	–	8,523	15,934
– property, plant and equipment	966	2,362	770	509	–	–	216	443	5,266
– investment properties under development	18,579	–	–	–	–	–	–	–	18,579
Depreciation	3,194	22,713	156	640	–	–	357	283	27,343
2021									
Assets and liabilities									
Reportable segment assets	1,264,947	1,011,472	68,159	342,500	503,759	264,350	101,998	1,485,249	5,042,434
Reportable segment liabilities	263,713	313,283	61,484	109,949	405,894	211,835	8,207	1,010,669	2,385,034
Other Segmental Information									
Capital expenditure:									
– investment properties	101	32	39	156	–	22	–	9,346	9,696
– property, plant and equipment	345	2,659	137	963	–	–	106	230	4,440
– investment properties under development	70,459	–	–	–	–	–	–	–	70,459
Depreciation	1,920	22,779	136	710	–	–	432	289	26,266

Notes to the Financial Statements

Year ended 31 December 2022

38

OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia \$'000	Philippines \$'000	South Korea \$'000	Spain \$'000	United Kingdom \$'000	United States of America \$'000	Vietnam \$'000	Subtotal \$'000	Total \$'000
2022									
Assets and liabilities									
Reportable segment assets	41,510	156,101	165,575	57,858	510,850	1,733,712	234,821	2,900,427	8,023,693
Reportable segment liabilities	702	31,088	37,292	26,568	57,589	1,050,345	23,841	1,227,425	3,578,898
Other Segmental Information									
Capital expenditure:									
– investment properties	–	(38)*	156	59	236	(3,273)*	358	(2,502)	13,432
– property, plant and equipment	19	601	–	95	874	5,293	339	7,221	12,487
– investment properties under development	–	–	–	–	–	6,638	–	6,638	25,217
Depreciation	63	1,604	–	81	1,133	4,220	1,329	8,430	35,773
2021									
Assets and liabilities									
Reportable segment assets	44,507	169,244	178,851	66,408	534,012	1,460,060	237,730	2,690,812	7,733,246
Reportable segment liabilities	566	34,651	48,437	49,349	58,572	765,208	23,710	980,493	3,365,527
Other Segmental Information									
Capital expenditure:									
– investment properties	–	360	103	22	569	21,085	28	22,167	31,863
– property, plant and equipment	43	78	–	3	44	623	431	1,222	5,662
– investment properties under development	–	–	–	–	–	–	–	–	70,459
Depreciation	96	1,591	–	93	826	2,328	1,444	6,378	32,644

* Negative due to reversal of over-provision of prior year's capital expenditure

Notes to the Financial Statements

Year ended 31 December 2022

38 OPERATING SEGMENTS (continued)

Major customers

Revenue from related corporations accounted for approximately \$51,566,000 (2021: \$47,095,000) of the gross revenue of the Stapled Group. Such revenue is attributable to the France segment, Germany segment and Singapore segment.

39 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determining fair value

A number of the Stapled Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods and processes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial derivatives

The fair values of cross currency interest rate swaps and interest rate swaps are based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(ii) Non-derivative financial liabilities

The fair value of quoted interest-bearing borrowings is their quoted ask price at the reporting date. Fair value for unquoted interest-bearing borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

Notes to the Financial Statements

Year ended 31 December 2022

39 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

CapitalLand Ascott REIT Group	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL	Fair value – hedging instruments	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2022									
Financial assets measured at fair value									
Investment securities	7	2,416	–	–	–	2,416	–	–	2,416
Interest rate swaps used for hedging	13	–	31,934	–	–	31,934	–	31,934	–
Gross currency interest rate swaps used for hedging	13	–	59,471	–	–	59,471	–	59,471	–
		2,416	91,405	–	–	93,821			
Financial assets not measured at fair value									
Loan to associate	11	–	–	3,585	–	3,585			
Trade and other receivables ⁽¹⁾	15	–	–	243,270	–	243,270			
Cash and cash equivalents	17	–	–	299,251	–	299,251			
		–	–	546,106	–	546,106			
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	13	–	(5)	–	–	(5)	–	(5)	–
Gross currency interest rate swaps used for hedging	13	–	(6,939)	–	–	(6,939)	–	(6,939)	–
		–	(6,944)	–	–	(6,944)			
Financial liabilities not measured at fair value									
Bank loans	18	–	–	–	(1,698,901)	(1,698,901)	–	(1,683,254)	–
Medium term notes	18	–	–	–	(548,917)	(548,917)	–	(551,309)	–
Sustainability-linked notes	18	–	–	–	(367,899)	(367,899)	–	(361,347)	–
Trade and other payables ⁽²⁾	19	–	–	–	(196,306)	(196,306)	–	–	–
Rental deposits (non-current)	19	–	–	–	(32)	(32)	–	(31)	–
		–	–	–	(2,812,055)	(2,812,055)			

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

Notes to the Financial Statements

Year ended 31 December 2022

39 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

CapitalLand Ascott REIT Group	Note	Mandatorily at FVTPL \$'000	Carrying amount			Fair value				
			Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2021										
Financial assets measured at fair value										
Investment securities	7	2,163	–	–	–	2,163	–	–	2,163	2,163
Interest rate swaps used for hedging	13	–	1,995	–	–	1,995	–	1,995	–	1,995
Cross currency interest rate swaps used for hedging	13	–	17,355	–	–	17,355	–	17,355	–	17,355
		2,163	19,350	–	–	21,513				
Financial assets not measured at fair value										
Loan to associate	11	–	–	3,536	–	3,536				
Loan to joint venture	12	–	–	14,011	–	14,011				
Trade and other receivables ⁽¹⁾	15	–	–	170,665	–	170,665				
Cash and cash equivalents	17	–	–	301,163	–	301,163				
		–	–	489,375	–	489,375				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	13	–	(1,828)	–	–	(1,828)	–	(1,828)	–	(1,828)
Financial liabilities not measured at fair value										
Bank loans	18	–	–	–	(1,690,949)	(1,690,949)	–	(1,692,839)	–	(1,692,839)
Medium term notes	18	–	–	–	(688,765)	(688,765)	–	(713,688)	–	(713,688)
Trade and other payables ⁽²⁾	19	–	–	–	(119,118)	(119,118)	–	–	–	–
		–	–	–	(2,498,832)	(2,498,832)				

(1) Excluding prepayments.

(2) Excluding advance rental liability for employee benefits and rental deposits (non-current).

Notes to the Financial Statements

Year ended 31 December 2022

39 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

CapitalLand Ascott BT Group	Note	Carrying amount			Fair value				
		Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2022									
Financial assets measured at fair value									
Interest rate swaps used for hedging	13	3,024	–	–	3,024	–	3,024	–	3,024
Financial assets not measured at fair value									
Trade and other receivables ⁽¹⁾	15	–	14,091	–	14,091				
Cash and cash equivalents	17	–	64,383	–	64,383				
		–	78,474	–	78,474				
Financial liabilities measured at fair value									
Gross currency interest rate swaps used for hedging	13	(810)	–	–	(810)	–	(810)	–	(810)
Financial liabilities not measured at fair value									
Bank loans	18	–	–	(258,869)	(258,869)	–	(258,673)	–	(258,673)
Trade and other payables ⁽²⁾	19	–	–	(185,767)	(185,767)	–	–	–	–
Rental deposits (non-current)	19	–	–	(8,215)	(8,215)	–	(7,109)	–	(7,109)
		–	–	(452,851)	(452,851)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

Notes to the Financial Statements

Year ended 31 December 2022

39 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

		Carrying amount			Fair value				
		Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Capitaland Ascott BT Group									
31 December 2021									
Financial assets measured at fair value									
	13	1,097	–	–	1,097	–	1,097	–	1,097
	13	10,312	–	–	10,312	–	10,312	–	10,312
		11,409	–	–	11,409				
Financial assets not measured at fair value									
	15	–	9,898	–	9,898				
	17	–	45,169	–	45,169				
		–	55,067	–	55,067				
Financial liabilities not measured at fair value									
	18	–	–	(279,507)	(279,507)	–	(280,525)	–	(280,525)
	18	–	–	(69,703)	(69,703)	–	(70,215)	–	(70,215)
	19	–	–	(112,652)	(112,652)	–	–	–	–
	19	–	–	(9,242)	(9,242)	–	(9,324)	–	(9,324)
		–	–	(471,104)	(471,104)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

Notes to the Financial Statements

Year ended 31 December 2022

39 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Stapled Group	Note	Carrying amount			Fair value				
		Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2022									
Financial assets measured at fair value									
Interest rate swaps used for hedging	13	34,958	–	–	34,958	–	34,958	–	34,958
Cross currency interest rate swaps used for hedging	13	59,471	–	–	59,471	–	59,471	–	59,471
		94,429	–	–	94,429				
Financial assets not measured at fair value									
Loan to associate	11	–	3,585	–	3,585				
Trade and other receivables ⁽¹⁾	15	–	96,403	–	96,403				
Cash and cash equivalents	17	–	363,634	–	363,634				
		–	463,622	–	463,622				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	13	(5)	–	–	(5)	–	(5)	–	(5)
Cross currency interest rate swaps used for hedging	13	(7,749)	–	–	(7,749)	–	(7,749)	–	(7,749)
		(7,754)	–	–	(7,754)				
Financial liabilities not measured at fair value									
Bank loans	18	–	–	(1,957,770)	(1,957,770)	–	(1,941,927)	–	(1,941,927)
Medium term notes	18	–	–	(548,917)	(548,917)	–	(551,309)	–	(551,309)
Sustainability-linked notes	18	–	–	(367,899)	(367,899)	–	(361,347)	–	(361,347)
Trade and other payables ⁽²⁾	19	–	–	(221,113)	(221,113)	–		–	
Rental deposits (non-current)	19	–	–	(8,247)	(8,247)	–	(7,140)	–	(7,140)
		–	–	(3,103,946)	(3,103,946)				

(1) Excluding prepayments.

(2) Excluding advance rental liability for employee benefits and rental deposits (non-current).

Notes to the Financial Statements

Year ended 31 December 2022

39 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Stapled Group	Note	Carrying amount			Fair value				
		Fair value – hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2021									
Financial assets measured at fair value									
Interest rate swaps used for hedging	13	3,092	–	–	3,092	–	3,092	–	3,092
Cross currency interest rate swaps used for hedging	13	27,667	–	–	27,667	–	27,667	–	27,667
		30,759	–	–	30,759				
Financial assets not measured at fair value									
Loan to associate	11	–	3,536	–	3,536				
Loan to joint venture	12	–	14,011	–	14,011				
Trade and other receivables ⁽¹⁾	15	–	91,434	–	91,434				
Cash and cash equivalents	17	–	346,332	–	346,332				
		–	455,313	–	455,313				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	13	(1,828)	–	–	(1,828)	–	(1,828)	–	(1,828)
Financial liabilities not measured at fair value									
Bank loans	18	–	–	(1,970,456)	(1,970,456)	–	(1,973,364)	–	(1,973,364)
Medium term notes	18	–	–	(758,468)	(758,468)	–	(783,903)	–	(783,903)
Trade and other payables ⁽²⁾	19	–	–	(142,641)	(142,641)	–	–	–	–
Rental deposits (non-current)	19	–	–	(9,242)	(9,242)	–	(9,324)	–	(9,324)
		–	–	(2,880,807)	(2,880,807)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

During the years ended 31 December 2022 and 2021, there were no transfers between Level 1 and 2 of the fair value hierarchy.

Notes to the Financial Statements

Year ended 31 December 2022

40 ACQUISITION OF INVESTMENT PROPERTIES

During the year ended 31 December 2022, the CapitaLand Ascott REIT Group acquired four properties, namely Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Umeda Grande and Paloma Kent, from unrelated third parties.

On 30 November 2022, the CapitaLand Ascott REIT Group acquired the following from related corporations:

- a 100% effective interest in the property, La Clef Tour Eiffel Paris, through the acquisition of 100% issued shares in Ascott Holdings (France) SAS and 0.01% issued shares in Ascott Kleber SNC; and
- a 100% effective interest in the property, Somerset Central TD Hai Phong City, through the acquisition of 100% issued shares in Somerset Central TD Company Limited; and
- additional 45% effective interest in the property, Standard at Columbia, through the acquisition of 50% of the issued shares in Columbia PBSA Venture Pte. Ltd.; and
- 100% of the trust beneficial interests in a portfolio of five rental housing properties in Japan comprising House Saison Shijo-Dori, Marunouchi Central Heights, S-Residence Gakuenzaka, S-Residence Namba Viale and S-Residence Shukugawa; and
- Quest Cannon Hill.

The assets in the acquired entities largely consist of investment properties, property, plant and equipment, and investment properties under development without substantive processes. Substantially all of the fair value of the gross assets acquired is concentrated in the portfolio of the investment properties, which represents a group of similar identifiable assets. The CapitaLand Ascott REIT Group applied the concentration test and the acquisition of the entities has been assessed and accounted for as an acquisition of assets in the financial statements.

Asset acquisition: identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

CapitaLand Ascott REIT Group and Stapled Group	Note	2022 \$'000
Investment properties	4	344,623
Property, plant and equipment	5	1,617
Investment properties under development	6	103,735
Trade and other receivables		2,030
Cash and cash equivalents		1,287
Financial liabilities		(113,354)
Trade and other payables		(18,860)
Current tax liabilities		98
Non-controlling interests		(5,752)
Total identifiable assets		315,424
Less: amount previously accounted for as joint venture, remeasured at fair value		(24,584)
Net identifiable assets acquired		290,840
Realisation of reserves previously accounted for as a joint venture		(1,299)
Total consideration		289,541
Less: Deposit paid in prior year		(798)
Less: Deferred payment		(28,428)
Add: Consideration to be refunded from vendor		2,442
Less: Cash and cash equivalents acquired		(1,287)
Net cash outflow on acquisition		261,470

Notes to the Financial Statements

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41 COMMITMENTS

Leases as lessor

The Stapled Group leases out some of its investment properties on long term arrangements. All leases are classified as operating leases from a lessor perspective. The leases have initial tenure ranging from two to 25 years, with options to renew for some of the leases. The operating lease receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for in the agreements.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Less than one year	54,806	65,879	29,229	33,480	72,077	85,483
One to two years	50,681	53,320	28,770	33,349	67,493	72,793
Two to three years	46,773	49,056	27,667	32,843	62,483	68,023
Three to four years	45,082	44,745	19,378	31,629	52,503	62,498
Four to five years	42,230	42,307	19,185	22,053	49,458	50,484
More than five years	231,294	256,996	91,254	126,071	259,772	296,341
Total	470,866	512,303	215,483	279,425	563,786	635,622

Capital commitments

As at the reporting date, the Stapled Group had the following capital commitments:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments:						
– contracted but not provided for	146,102	113,842	2,431	660	148,533	114,502
– acquisition of investment property ⁽¹⁾	131,388	39,124	–	–	131,388	39,124

(1) As at 31 December 2022, commitment for acquisition of investment properties relate to the total purchase consideration of JPY13.9 billion (equivalent to \$152.7 million) for the acquisition of the trust beneficial interest in (a) one turnkey rental housing property in Osaka from Eslead Corporation, an unrelated third party, for the purchase consideration of JPY1.9 billion (equivalent to \$22.2 million) derived based on the independent valuation of the property of JPY2.0 billion (equivalent to \$24.4 million) using the discounted cash flow method (expected to complete in the second quarter of 2023); (b) one turnkey rental housing property in Fukuoka from KOSE R.E. Co. Ltd., an unrelated third party, for the purchase consideration of JPY4.0 billion (equivalent to \$47.9 million) derived based on the independent valuation of the property of JPY4.4 billion (equivalent to \$52.7 million) using the discounted cash flow method (expected to complete in the second quarter of 2023); and (c) one turnkey rental housing property in Fukuoka from Sekisui House, Ltd. and Fukuoka Shoji, Co., Ltd., unrelated third parties, for the purchase consideration of JPY8.0 billion (equivalent to \$82.6 million) derived based on the independent valuation of the property of JPY8.3 billion (equivalent to \$85.8 million) using the discounted cash flow method (expected to complete in 2024).

As at 31 December 2021, commitment for acquisition of investment property relates to the balance 98% purchase consideration of US\$28.9 million for the acquisition of Paloma Kent (formerly known as Latitude at Kent), which was completed on 9 February 2022.

Notes to the Financial Statements

Year ended 31 December 2022

42 SUBSEQUENT EVENTS

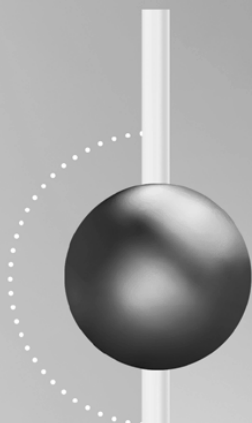
On 30 January 2023, the REIT Manager and BT Trustee-Manager declared a distribution of 2.255 cents per Stapled Security amounting to \$77,718,000 in respect of the period from 24 August 2022 to 31 December 2022.

On 27 February 2023, the REIT Manager and BT Trustee-Manager issued 9,821,320 Stapled Securities at an issue price of \$1.0416 per Stapled Security to the REIT Manager. These Stapled Securities were issued as partial payment of the base fee (as defined in the CapitalLand Ascott REIT Trust Deed) for the period from 1 October 2022 to 31 December 2022 and the performance fee for the period from 1 January 2022 to 31 December 2022.

On 27 February 2023, the REIT Manager and BT Trustee-Manager issued 675,562 Stapled Securities at an issue price of \$1.0416 per Stapled Security to the BT Trustee-Manager. These Stapled Securities were issued to the BT Trustee-Manager as partial payment of the base fee and performance fee (as defined in the CapitalLand Ascott BT Trust Deed) for the period from 1 October 2022 to 31 December 2022 and additional outperformance fee for the period from 1 January 2022 to 31 December 2022.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CAPITALAND
ASCOTT TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2023**

The information in this Appendix III has been extracted and reproduced from the auditor's report on the audited consolidated financial statements of CLAS for the financial year ended 31 December 2023 and has not been specifically prepared for inclusion in this Information Memorandum.



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REPORT OF THE TRUSTEE OF CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

DBS Trustee Limited (the "REIT Trustee") is under a duty to take into custody and hold the assets of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") held by it or through its subsidiaries (collectively, the "CapitaLand Ascott REIT Group") in trust for the holders of units in CapitaLand Ascott REIT. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of CapitaLand Ascott Trust Management Limited (the "REIT Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 19 January 2006 (as amended) (the "CapitaLand Ascott REIT Trust Deed") between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Stapled Securityholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed the CapitaLand Ascott REIT Group during the year covered by these financial statements, set out on pages 156 to 316 in accordance with the limitations imposed on the investment and borrowing powers set out in the CapitaLand Ascott REIT Trust Deed.

For and on behalf of the REIT Trustee,
DBS Trustee Limited

Chan Kim Lim
Director

Singapore
8 March 2024

REPORT OF THE MANAGER OF CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

In the opinion of the directors of CapitaLand Ascott Trust Management Limited, the Manager of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT"), the accompanying consolidated financial statements of CapitaLand Ascott REIT and its subsidiaries (the "CapitaLand Ascott REIT Group"), and CapitaLand Ascott Trust ("CLAS") (the "Stapled Group", comprising the CapitaLand Ascott REIT Group and CapitaLand Ascott Business Trust and its subsidiaries) set out on pages 156 to 316, comprising the Statements of Financial Position, Statements of Total Return, Statements of Movements in Stapled Securityholders' Funds, Portfolio Statements and Statements of Cash Flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the Distribution Statement of the Stapled Group, and notes to the financial statements, are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the CapitaLand Ascott REIT Group and the Stapled Group as at 31 December 2023 and the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the distributable income of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and the provisions of CapitaLand Ascott REIT's trust deed between DBS Trustee Limited (the "REIT Trustee") and the REIT Manager dated 19 January 2006 (as amended) and the stapling deed of CapitaLand Ascott Trust between the REIT Trustee, the REIT Manager and CapitaLand Ascott Business Trust Management Pte. Ltd. (Trustee-Manager of CapitaLand Ascott Business Trust) dated 9 September 2019 (as amended). At the date of this statement, there are reasonable grounds to believe that the CapitaLand Ascott REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,
CapitaLand Ascott Trust Management Limited

Teo Joo Ling, Serena
Director

Singapore
8 March 2024

REPORT OF THE TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

The directors of CapitaLand Ascott Business Trust Management Pte. Ltd., the trustee-manager of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") (the "BT Trustee-Manager"), are pleased to present their report to the unitholders of CapitaLand Ascott BT for the financial year ended 31 December 2023, together with the audited financial statements of CapitaLand Ascott BT and its subsidiaries (the "CapitaLand Ascott BT Group") for the financial year ended 31 December 2023.

DIRECTORS

The directors of the BT Trustee-Manager in office at the date of this report are:

Mr Tan Beng Hai, Bob	(Chairman)
Ms Teo Joo Ling, Serena	(Chief Executive Officer)
Mr Sim Juat Quee Michael Gabriel	
Mr Chia Kim Huat	
Ms Deborah Lee Siew Yin	
Mr Max Loh Khum Whai	(Appointed on 23 November 2023)
Mr Lui Chong Chee	(Appointed on 1 February 2024)
Mr Goh Soon Keat Kevin	
Ms Beh Siew Kim	

DIRECTORS' INTERESTS IN UNITS OR DEBENTURES OF CAPITALAND ASCOTT BT

According to the register kept by the BT Trustee-Manager for the purpose of Sections 13 and 76 of the Business Trusts Act 2004 (the "BTA"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in units of CapitaLand Ascott BT are as follows:

Name of director in which interests are held	Direct and deemed holdings registered in the name of the director, spouse or infant children			
	Direct At beginning of the year / date of appointment	Deemed At beginning of the year / date of appointment	Direct At end of the year	Deemed At end of the year
Mr Tan Beng Hai, Bob	136,042	-	167,510	-
Ms Teo Joo Ling, Serena	-	-	57,064	-
Mr Sim Juat Quee Michael Gabriel	90,649	-	113,920	-
Mr Chia Kim Huat	115,322	-	136,988	-
Ms Deborah Lee Siew Yin	21,767	-	39,218	-
Mr Ong Su Kiat Melvyn*	-	-	-	-
Mr Max Loh Khum Whai	120,000	-	120,000	-
Mr Goh Soon Keat Kevin	171,276	-	234,319	-
Ms Beh Siew Kim	1,358,069	-	1,872,934	-

* Mr Ong Su Kiat Melvyn resigned with effect from 1 January 2024.

Contingent award of Performance Stapled Security^{1,2} to be delivered after 2022

Ms Beh Siew Kim (134,448 PSSP)	0 to 268,896	-	0*	-

* During the year, 268,896 stapled securities were released, of which 67,224 stapled securities were settled in cash.

Contingent award of Performance Stapled Security¹ to be delivered after 2023

Ms Beh Siew Kim (185,391 PSSP)	0 to 370,782 ²	-	0 to 370,782 ²	-

REPORT OF THE TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

Name of director in which interests are held	Direct and deemed holdings registered in the name of the director, spouse or infant children			
	Direct At beginning of the year / date of appointment	Deemed At beginning of the year / date of appointment	Direct At end of the year	Deemed At end of the year
Contingent award of Performance Stapled Security¹ to be delivered after 2024				
Ms Teo Joo Ling, Serena (110,913 PSSP)	0 to 221,826 ²	-	0 to 221,826 ²	-
Ms Beh Siew Kim (221,827 PSSP)	0 to 443,654 ²	-	0 to 443,654 ²	-
Contingent award of Performance Stapled Security¹ to be delivered after 2025				
Ms Teo Joo Ling, Serena (169,573 PSSP)	-	-	0 to 339,146 ²	-
Unvested Restricted Stapled Security¹ to be delivered after 2020				
Ms Beh Siew Kim	35,539 ³	-	0*	-
Unvested Restricted Stapled Security¹ to be delivered after 2021				
Ms Beh Siew Kim	185,391 ³	-	92,696 ³	-
Contingent award of Restricted Stapled Security¹ to be delivered after 2022				
Ms Teo Joo Ling, Serena	0 to 166,369 ²	-	110,913 ³	-
Ms Beh Siew Kim	0 to 332,740 ²	-	221,827 ³	-

There were no changes in the abovementioned interests of CapitaLand Ascott BT between 31 December 2023 and 21 January 2024.

Notes:

- 1 This refers to the number of Stapled Securities which are the subject of contingent awards granted or finalised but not released under the REIT Manager's Performance Stapled Security Plan ("PSSP") and the Restricted Stapled Security Plan ("RSSP").
- 2 The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the three-year performance periods for the PSSP and one-year performance period for the RSSP. The final number of Stapled Securities that will be released could range from 0% to 200% of the baseline award under the PSSP and from 0% to 150% of the baseline award under the RSSP. The Nominating and Remuneration Committee of the REIT Manager has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. The Stapled Securities released under PSSP, if any, will be delivered in a combination of stapled securities and cash.
- 3 Being the unvested Stapled Securities under the RSSP. 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.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units, options, warrants or debentures of CapitaLand Ascott BT, either at the beginning (or date of appointment, if later) or at the end of the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial year was the BT Trustee-Manager a party to any arrangement whose object was to enable any or all directors of the BT Trustee-Manager to acquire benefits by means of the acquisition of units, or debentures, of CapitaLand Ascott BT.

REPORT OF THE TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

DIRECTORS' CONTRACTUAL BENEFITS

During the financial year, no director of the BT Trustee-Manager has received or became entitled to receive a benefit in CapitaLand Ascott BT by reason of a contract made by the BT Trustee-Manager, on behalf of CapitaLand Ascott BT or a related corporation with the director, or with a firm of which such director is a member or with a company in which such director has a substantial financial interest, except that the directors served as directors or employees of related corporations and received remuneration in that capacity from related corporations.

UNIT OPTIONS

During the financial year, there were:

- (i) no options granted by the BT Trustee-Manager to any person to take up unissued units in CapitaLand Ascott BT; and
- (ii) no units issued by virtue of any exercise of option to take up unissued units of CapitaLand Ascott BT.

There were no unissued units in CapitaLand Ascott BT under option as at the end of the financial year.

AUDIT AND RISK COMMITTEE

The members of the audit and risk committee of the BT Trustee-Manager (the "ARC") at the date of this statement are:

- Mr Sim Juat Quee Michael Gabriel (Chairman), Independent, Non-Executive Director;
- Mr Chia Kim Huat, Independent, Non-Executive Director;
- Ms Deborah Lee Siew Yin, Independent, Non-Executive Director; and
- Mr Max Loh Khum Wai, Independent, Non-Executive Director (Appointed on 23 November 2023).

The ARC performs the functions specified in Section 201B of the Companies Act 1967, Regulation 13(6) of the Business Trusts Regulations 2005 ("BTR"), the Listing Manual by Singapore Exchange Securities Trading Limited (the "SGX Listing Manual") and the Code of Corporate Governance 2018.

The ARC has held five meetings since the last report of the BT Trustee-Manager. In performing its functions, the ARC met with CapitaLand Ascott BT's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of CapitaLand Ascott BT's internal accounting control system.

The ARC also reviewed the following:

- assistance provided by CapitaLand Ascott BT's officers to the internal and external auditors;
- semi-annual financial information and annual financial statements of CapitaLand Ascott BT prior to their submission to the directors of the BT Trustee-Manager for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The ARC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The ARC is satisfied with the independence and objectivity of the external auditors during the financial year.

The ARC has recommended to the Board of Directors of the BT Trustee-Manager the appointment of Deloitte & Touche LLP as independent external auditors of CapitaLand Ascott BT at the forthcoming Annual General Meeting of CapitaLand Ascott BT.

In appointing our auditors for the CapitaLand Ascott BT Group, we have complied with Rules 712 and 715 of the SGX Listing Manual.

INDEPENDENT AUDITOR

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP has expressed its willingness to accept appointment as the independent external auditors of CapitaLand Ascott BT.

STATEMENT BY THE BT TRUSTEE-MANAGER

In the opinion of the directors of the BT Trustee-Manager,

- (a) the consolidated financial statements of the CapitaLand Ascott BT Group as set out on pages 156 to 316 are drawn up so as to give a true and fair view of the financial position of the CapitaLand Ascott BT Group as at 31 December 2023, and the financial performance, changes in unitholders' funds and cash flows of the CapitaLand Ascott BT Group, for the year ended on that date in accordance with the provisions of the Business Trusts Act 2004 (the "BTA"), and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the BT Trustee-Manager will be able to fulfil, out of the trust property of CapitaLand Ascott BT, the liabilities of CapitaLand Ascott BT as and when they fall due.

In accordance with Section 86(2) of the BTA, the directors of the BT Trustee-Manager further certify that:

- the fees or charges paid or payable out of the property of the CapitaLand Ascott BT Group to the BT Trustee-Manager are in accordance with the CapitaLand Ascott BT trust deed dated 9 September 2019 (as amended);
- interested person transactions are not detrimental to the interests of all the unitholders as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors is not aware of any violation of duties of the BT Trustee-Manager which would have a materially adverse effect on the business of the CapitaLand Ascott BT Group or the interests of the unitholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the BT Trustee-Manager,
CapitaLand Ascott Business Trust Management Pte. Ltd.

Tan Beng Hai, Bob
Director

Teo Joo Ling, Serena
Director

Singapore
8 March 2024

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE BT TRUSTEE-MANAGER

In accordance with Section 86 of the Business Trusts Act 2004, I certify that I am not aware of any violation of duties of the BT Trustee-Manager which would have a materially adverse effect on the business of the CapitaLand Ascott BT Group or on the interests of all the unitholders of CapitaLand Ascott BT as a whole.

Teo Joo Ling, Serena
Chief Executive Officer

Singapore
8 March 2024

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited:

- (i) the consolidated financial statements of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group"), which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2023, the Statement of Total Return, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott REIT Group for the year then ended, and notes to the financial statements, including material accounting policy information;
- (ii) the consolidated financial statements of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group"), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Total Return and Statement of Comprehensive Income, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott BT Group for the year then ended, and notes to the financial statements, including material accounting policy information; and
- (iii) the consolidated financial statements of CapitaLand Ascott Trust, which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2023, the Statement of Total Return, Distribution Statement, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of CapitaLand Ascott Trust for the year then ended, and notes to the financial statements, including material accounting policy information;

as set out on pages 156 to 316. CapitaLand Ascott Trust, which comprises the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group, is hereinafter referred to as the "Stapled Group".

In our opinion:

- (a) the accompanying consolidated financial statements of the CapitaLand Ascott REIT Group and the Stapled Group present fairly, in all material respects, the financial positions and portfolio holdings of the CapitaLand Ascott REIT Group and the Stapled Group as at 31 December 2023, the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the distributable income of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("ISCA");
- (b) the accompanying consolidated financial statements of the CapitaLand Ascott BT Group are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 (the "BTA"), and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the state of affairs of the CapitaLand Ascott BT Group as at 31 December 2023 and the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott BT Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties, land and buildings and investment properties under development

Note 4 - Investment properties

Note 5 - Property, plant and equipment

Note 6 - Investment properties under development

Risk:

The Stapled Group has portfolios of investment properties, land and buildings, and investment properties under development which are stated at their fair values as at 31 December 2023 of \$6,501.0 million, \$930.3 million and \$268.0 million (2022: \$6,103.6 million, \$875.6 million and \$385.7 million) respectively.

The fair values of the investment properties, land and buildings and investment properties under development are appraised by external property valuers. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, particularly those relating to discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs.

Our response:

We assessed the Stapled Group's process relating to the selection of the external property valuers, the determination of the scope of work of the external property valuers, and the review and acceptance of the valuation reports issued by the external property valuers.

We evaluated the qualification and competence of the external property valuers. We also read the terms of engagement of the external property valuers with the Stapled Group to ascertain whether there are matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies adopted against those applied by other valuers for similar property types. We evaluated the key assumptions and inputs used in the valuations, which included discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the external property valuers.

We considered the appropriateness of disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

The Stapled Group has a structured process in appointing and instructing external property valuers, and in reviewing and accepting their valuations. The external property valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work. The valuation methodologies used by the external property valuers were in line with generally accepted market practices. The key assumptions and inputs used in the valuations, including the projected cash flows, discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs were supported by the evidence available and are within the range of industry data. Where the assumptions were outside the expected range, the additional factors considered by the external property valuers were consistent with other corroborative evidence.

We also found the related disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

Other information

CapitaLand Ascott Trust Management Limited, the Manager of CapitaLand Ascott REIT (the "REIT Manager") and CapitaLand Ascott Business Trust Management Pte. Ltd., the Trustee-Manager of CapitaLand Ascott BT (the "BT Trustee-Manager") (collectively, the "Managers"), are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the REIT Manager for the financial statements

The REIT Manager is responsible for the preparation and fair presentation of the financial statements of the CapitaLand Ascott REIT Group and the Stapled Group in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal controls as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing the ability of the CapitaLand Ascott REIT Group and the Stapled Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate the CapitaLand Ascott REIT Group and the Stapled Group or to cease operations of the CapitaLand Ascott REIT Group and the Stapled Group, or has no realistic alternative but to do so.

The REIT Manager's responsibilities include overseeing the financial reporting process of the CapitaLand Ascott REIT Group and the Stapled Group.

Responsibilities of the BT Trustee-Manager for the financial statements

The BT Trustee-Manager is responsible for the preparation of financial statements of the CapitaLand Ascott BT Group that gives a true and fair view in accordance with the provisions of the BTA and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the BT Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

In preparing the financial statements, the BT Trustee-Manager is responsible for assessing the ability of the CapitaLand Ascott BT Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the BT Trustee-Manager either intends to terminate the CapitaLand Ascott BT Group or to cease the operations of the CapitaLand Ascott BT Group, or has no realistic alternative but to do so.

The BT Trustee-Manager's responsibilities include overseeing the CapitaLand Ascott BT Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managers.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Managers and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Managers with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Managers, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

Report on other legal and regulatory requirement

In our opinion, the accounting and other records required by the BTA to be kept by the BT Trustee-Manager on behalf of CapitaLand Ascott BT have been properly kept in accordance with the provisions of the BTA.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets							
Investment properties	4	6,498,182	6,075,974	424,990	447,974	6,501,017	6,103,633
Property, plant and equipment	5	47,348	35,562	602,005	570,389	1,001,941	944,878
Investment properties under development	6	268,000	385,707	-	-	268,000	385,707
Investment securities	7	2,454	2,416	-	-	-	-
Associate	11	2,985	3,035	-	-	2,985	3,035
Financial derivative assets	12	84,653	69,942	209	-	84,862	69,942
Deferred tax assets	13	10,595	10,738	3,983	4,137	14,578	14,875
		6,914,217	6,583,374	1,031,187	1,022,500	7,873,383	7,522,070
Current assets							
Inventories		91	20	456	275	547	295
Trade and other receivables	14	316,041	257,341	13,714	15,804	109,556	112,187
Assets held for sale	15	211,599	1,020	95,628	-	307,227	1,020
Financial derivative assets	12	7,306	21,463	-	3,024	7,306	24,487
Cash and cash equivalents	16	369,371	299,251	63,435	64,383	432,806	363,634
		904,408	579,095	173,233	83,486	857,442	501,623
Total assets		7,818,625	7,162,469	1,204,420	1,105,986	8,730,825	8,023,693
Non-current liabilities							
Financial liabilities	17	2,385,856	2,389,473	100,143	83,407	2,485,999	2,472,880
Financial derivative liabilities	12	7,100	6,939	566	-	7,666	6,939
Trade and other payables	18	-	32	8,135	8,624	8,135	8,656
Deferred income	19	7,969	-	747	876	8,716	876
Deferred tax liabilities	13	154,002	121,425	41,323	39,458	195,325	160,883
Lease liabilities	20	253,677	257,368	64,412	76,203	253,677	257,368
		2,808,604	2,775,237	215,326	208,568	2,959,518	2,907,602
Current liabilities							
Financial liabilities	17	529,122	226,244	33,240	175,462	562,362	401,706
Financial derivative liabilities	12	-	5	-	810	-	815
Trade and other payables	18	286,577	212,432	285,654	192,769	352,032	244,243
Deferred income	19	425	-	120	135	545	135
Current tax liabilities		15,207	11,593	579	3,158	15,786	14,751
Lease liabilities	20	10,288	9,646	5,155	5,185	10,288	9,646
		841,619	459,920	324,748	377,519	941,013	671,296
Total liabilities		3,650,223	3,235,157	540,074	586,087	3,900,531	3,578,898
Net assets		4,168,402	3,927,312	664,346	519,899	4,830,294	4,444,795
Represented by:							
Stapled Securityholders' funds	21	3,696,155	3,449,568	660,198	515,868	4,356,353	3,965,436
Perpetual securities holders	22	396,298	396,298	-	-	396,298	396,298
Non-controlling interests	10	75,949	81,446	4,148	4,031	77,643	83,061
		4,168,402	3,927,312	664,346	519,899	4,830,294	4,444,795
Stapled Securities in issue ('000)							
	22	3,763,304	3,445,625	3,763,304	3,445,625	3,763,304	3,445,625
Net asset value per Stapled Security (\$)							
		0.98	1.00	0.18	0.15	1.16	1.15

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

Year ended 31 December 2023

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	23	586,420	486,003	171,683	149,793	744,558	621,242
Direct expenses	24	(295,387)	(245,557)	(113,188)	(94,891)	(406,309)	(338,424)
Gross profit		291,033	240,446	58,495	54,902	338,249	282,818
Depreciation of buildings, plant and machinery		-	-	(19,904)	(19,317)	(24,620)	(20,496)
Finance income	25	3,125	1,176	1,318	338	4,434	1,468
Other income		3,147	1,111	-	217	3,031	1,308
Finance costs	25	(80,795)	(61,985)	(12,433)	(14,616)	(86,830)	(69,012)
Managers' management fees	26	(29,590)	(25,866)	(4,627)	(4,553)	(34,217)	(30,419)
Trustee's fee		(749)	(705)	(162)	(162)	(911)	(867)
Professional fees	27	(5,549)	(4,418)	(881)	(707)	(6,431)	(5,125)
Audit fees		(3,211)	(3,461)	(447)	(449)	(3,658)	(3,910)
Foreign exchange gain/(loss)		22,553	(12,985)	3,616	(11,409)	26,169	(24,394)
Other operating expenses		(3,648)	(3,183)	(693)	(659)	(5,589)	(3,843)
Net income before share of results of associate and joint venture		196,316	130,130	24,282	3,585	209,627	127,528
Share of results (net of tax) of:							
- associate	11	7	(27)	-	-	7	(27)
- joint venture		-	3,918	-	-	-	3,918
Net income	28	196,323	134,021	24,282	3,585	209,634	131,419
Net change in fair value of investment properties, investment properties under development and assets held for sale		109,405	138,850	1,746	(4,534)	101,132	122,353
Net change in fair value of financial derivatives		(25,283)	597	956	-	(24,327)	597
Revaluation surplus on land and buildings		-	-	-	5,393	-	5,393
Net change in fair value of investment securities		38	253	-	-	-	-
Profit from divestments	29	16,016	99	-	-	16,016	99
Investment properties written off	4	(1,478)	(78)	-	-	(230)	(78)
Total return for the year before income tax		295,021	273,742	26,984	4,444	302,225	259,783
Income tax expense	30	(71,541)	(29,168)	(903)	(4,395)	(72,444)	(33,563)
Total return for the year		223,480	244,574	26,081	49	229,781	226,220
Total return/(loss) attributable to:							
Stapled Securityholders and perpetual securities holders		225,085	241,731	26,078	(3)	231,255	223,305
Non-controlling interests	10	(1,605)	2,843	3	52	(1,474)	2,915
		223,480	244,574	26,081	49	229,781	226,220
Earnings per Stapled Security (cents)	31						
Basic						6.10	6.28
Diluted						6.07	6.25

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME OF THE CAPITALAND ASCOTT BT GROUP

Year ended 31 December 2023

	2023 \$'000	2022 \$'000
Profit for the year	26,081	49
Items that will not be reclassified subsequently to profit or loss:		
Revaluation surplus on land and buildings (net of tax)	<u>33,174</u>	<u>49,727</u>
	33,174	49,727
Items that may be reclassified subsequently to profit or loss:		
Effective portion of change in fair values of cash flow hedges	(1,022)	3,272
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	(2,700)	(1,292)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	<u>(10,975)</u>	<u>(58,674)</u>
	(14,697)	(56,694)
Total comprehensive income for the year	44,558	(6,918)

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

Year ended 31 December 2023

	Note	Stapled Group	
		2023 \$'000	2022 \$'000
Amount to be distributed to Stapled Securityholders at beginning of the year		77,679	56,515
Total return attributable to Stapled Securityholders and perpetual securities holders		231,255	223,305
Less: Total return attributable to perpetual securities holders		(13,495)	(13,495)
Distribution adjustments	A	19,249	(19,976)
Income available for distribution to Stapled Securityholders for the year		237,009	189,834
Distribution to Stapled Securityholders		314,688	246,349
Distributions to Stapled Securityholders during the year			
- Distribution of 1.726 cents per Stapled Security for the period from 20 September 2021 to 31 December 2021		-	(56,554)
- Distribution of 2.332 cents per Stapled Security for the period from 1 January 2022 to 30 June 2022		-	(76,648)
- Distribution of 1.078 cents per Stapled Security for the period from 1 July 2022 to 23 August 2022		-	(35,468)
- Distribution of 2.255 cents per Stapled Security for the period from 24 August 2022 to 31 December 2022		(77,699)	-
- Distribution of 2.778 cents per Stapled Security for the period from 1 January 2023 to 30 June 2023		(96,209)	-
- Distribution of 0.701 cents per Stapled Security for the period from 1 July 2023 to 13 August 2023		(24,303)	-
		(198,211)	(168,670)
Amount to be distributed to Stapled Securityholders at end of the year		116,477	77,679
Note A - Distribution adjustments			
Distribution adjustment items:			
- Net change in fair value of investment properties, investment properties under development and assets held for sale		(101,132)	(122,353)
- Revaluation surplus on land and buildings		-	(5,393)
- Net change in fair value of financial derivatives		24,327	(597)
- Profit from divestments		(16,016)	(99)
- Investment properties written off		230	78
- Property, plant and equipment written off from renovation at The Robertson House by The Crest Collection		1,248	-
- Depreciation expense		38,897	35,773
- Managers' management fees paid/payable in Stapled Securities		24,669	21,757
- REIT Trustee's fee		158	175
- Foreign exchange loss - unrealised		15,270	53,821
- Interest expense on lease liabilities		9,716	10,379
- Lease payments for right-of-use assets		(18,716)	(18,276)
- Deferred tax expense		33,723	10,845
- Tax expense relating to the divestment		14,105	14
- Non-controlling interests' share of adjustments		(7,617)	(2,215)
- Share of results (net of tax) of joint venture		-	(3,918)
- Other adjustments		387	33
Net effect of distribution adjustments		19,249	(19,976)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitalLand Ascott REIT Group									
At 1 January 2022	2,313,749	1,205,334	(178,315)	724	(42)	3,341,450	396,298	78,816	3,816,564
Total return for the year	-	241,731	-	-	-	241,731	-	2,843	244,574
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	(13,495)	13,495	-	-
Other comprehensive income									
Effective portion of change in fair values of cash flow hedges	-	-	-	-	35,101	35,101	-	-	35,101
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	(1,095)	(1,095)	-	-	(1,095)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(202,347)	-	-	(202,347)	-	(4,387)	(206,734)
Total other comprehensive income	-	-	(202,347)	-	34,006	(168,341)	-	(4,387)	(172,728)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
REIT Manager's management fee payable in Stapled Securities	19,458	-	-	-	-	19,458	-	-	19,458
Issue of Stapled Securities under private placement	170,000	-	-	-	-	170,000	-	-	170,000
Issue expenses relating to private placement	(2,269)	-	-	-	-	(2,269)	-	-	(2,269)
Distribution to Stapled Securityholders	(72,169)	(67,786)	-	-	-	(139,955)	-	-	(139,955)
Distribution to perpetual securities holders	-	-	-	-	-	-	(13,495)	-	(13,495)
Distribution to non-controlling interests	-	-	-	-	-	-	-	(1,888)	(1,888)
Total contributions by and distributions to owners	115,020	(67,786)	-	-	-	47,234	(13,495)	(1,888)	31,851

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitaLand Ascott REIT Group									
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests	-	-	-	-	-	-	-	5,752	5,752
Change in ownership interests in subsidiaries with no change in control	-	(310)	-	-	-	(310)	-	310	-
Share of reserves of joint venture	-	-	1,299	-	-	1,299	-	-	1,299
Total changes in ownership interests in subsidiaries	-	(310)	1,299	-	-	989	-	6,062	7,051
At 31 December 2022	2,428,769	1,365,474	(379,363)	724	33,964	3,449,568	396,298	81,446	3,927,312

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitaLand Ascott REIT Group									
At 1 January 2023	2,428,769	1,365,474	(379,363)	724	33,964	3,449,568	396,298	81,446	3,927,312
Total return/(loss) for the year	-	225,085	-	-	-	225,085	-	(1,605)	223,480
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	(13,495)	13,495	-	-
Other comprehensive income									
Effective portion of change in fair values of cash flow hedges	-	-	-	-	3,007	3,007	-	-	3,007
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	(15,369)	(15,369)	-	-	(15,369)
Realisation of reserves upon divestment	-	-	8,002	-	-	8,002	-	-	8,002
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	13,007	-	-	13,007	-	(945)	12,062
Total other comprehensive income	-	-	21,009	-	(12,362)	8,647	-	(945)	7,702
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
REIT Manager's management fee payable in Stapled Securities	22,340	-	-	-	-	22,340	-	-	22,340
Issue of Stapled Securities under equity fund raising	165,861	-	-	-	-	165,861	-	-	165,861
Issue expenses relating to equity fund raising	(3,180)	-	-	-	-	(3,180)	-	-	(3,180)
REIT Manager's acquisition fees payable in Stapled Securities	2,982	-	-	-	-	2,982	-	-	2,982
Distribution to Stapled Securityholders	(111,362)	(50,004)	-	-	-	(161,366)	-	-	(161,366)
Distribution to perpetual securities holders	-	-	-	-	-	-	(13,495)	-	(13,495)
Distribution to non-controlling interests	-	-	-	-	-	-	-	(3,234)	(3,234)
Total contributions by and distributions to owners	76,641	(50,004)	-	-	-	26,637	(13,495)	(3,234)	9,908

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders								
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
CapitaLand Ascott REIT Group									
Changes in ownership interests in subsidiaries									
Change in ownership interests in subsidiaries with no change in control	-	(287)	-	-	-	(287)	-	287	-
Total changes in ownership interests in subsidiaries	-	(287)	-	-	-	(287)	-	287	-
At 31 December 2023	2,505,410	1,526,773	(358,354)	724	21,602	3,696,155	396,298	75,949	4,168,402

The accompanying notes form an integral part of these financial statements.

Year ended 31 December 2023

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The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders					
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Non-controlling interests \$'000
CapitalLand Ascott BT Group	646,292	(134,362)	(52,399)	3,428	52,909	4,031
At 1 January 2023					515,868	519,899
Total comprehensive income for the year						
Profit for the year	-	26,078	-	-	-	3
Effective portion of change in fair values of cash flow hedges	-	-	-	(1,019)	-	(3)
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	(2,673)	-	(27)
Revaluation surplus on land and buildings (net of tax)	-	-	-	-	32,858	316
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(10,970)	-	-	(5)
Total comprehensive income	-	26,078	(10,970)	(3,692)	32,858	284
					44,274	44,558
Transactions with owners, recognised directly in equity Contributions by and distributions to owners						
BT Trustee-Manager's management fee payable in Stapled Securities	2,329	-	-	-	-	-
Issue of Stapled Securities under equity fund raising	137,192	-	-	-	-	-
Issue expenses relating to equity fund raising	(2,620)	-	-	-	-	-
Distribution to Stapled Securityholders	(37,666)	821	-	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	(167)
Total contributions by and distributions to owners	99,235	821	-	-	100,056	99,889
At 31 December 2023	745,527	(107,463)	(63,369)	(264)	85,767	4,148
					660,198	664,346

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders									
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
Stapled Group										
At 1 January 2022	2,962,074	1,095,152	(172,250)	724	1,444	3,716	3,890,860	396,298	80,561	4,367,719
Total return for the year	-	223,305	-	-	-	-	223,305	-	2,915	226,220
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	-	(13,495)	13,495	-	-
Other comprehensive income										
Effective portion of change in fair values of cash flow hedges	-	-	-	-	38,373	-	38,373	-	-	38,373
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	(2,387)	-	(2,387)	-	-	(2,387)
Revaluation surplus on land and buildings (net of tax)	-	-	-	-	-	67,858	67,858	-	-	67,858
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(260,862)	-	-	-	(260,862)	-	(4,548)	(265,410)
Total other comprehensive income	-	-	(260,862)	-	35,986	67,858	(157,018)	-	(4,548)	(161,566)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
REIT Manager's management fee payable in Stapled Securities	19,458	-	-	-	-	-	19,458	-	-	19,458
BT Trustee-Manager's management fee payable in Stapled Securities	2,276	-	-	-	-	-	2,276	-	-	2,276
Issue of Stapled Securities under private placement	170,000	-	-	-	-	-	170,000	-	-	170,000
Issue expenses relating to private placement	(2,269)	-	-	-	-	-	(2,269)	-	-	(2,269)
Distribution to Stapled Securityholders	(76,478)	(92,192)	-	-	-	-	(168,670)	-	-	(168,670)
Distribution to perpetual securities holders	-	-	-	-	-	-	-	(13,495)	-	(13,495)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(1,929)	(1,929)
Total contributions by and distributions to owners	112,987	(92,192)	-	-	-	-	20,795	(13,495)	(1,929)	5,371

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders									
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
Stapled Group										
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	5,752	5,752
Change in ownership interests in subsidiaries with no change in control	-	(310)	-	-	-	-	(310)	-	310	-
Share of reserves of joint venture	-	-	1,299	-	-	-	1,299	-	-	1,299
Total changes in ownership interests in subsidiaries	-	(310)	1,299	-	-	-	989	-	6,062	7,051
At 31 December 2022	3,075,061	1,212,460	(431,813)	724	37,430	71,574	3,965,436	396,298	83,061	4,444,795

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders									
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
Stapled Group										
At 1 January 2023	3,075,061	1,212,460	(431,813)	724	37,430	71,574	3,965,436	396,298	83,061	4,444,795
Total return/(loss) for the year	-	231,255	-	-	-	-	231,255	-	(1,474)	229,781
Total return attributable to perpetual securities holders	-	(13,495)	-	-	-	-	(13,495)	13,495	-	-
Other comprehensive income										
Effective portion of change in fair values of cash flow hedges	-	-	-	-	1,985	-	1,985	-	-	1,985
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	-	-	-	-	(18,069)	-	(18,069)	-	-	(18,069)
Realisation of reserves upon divestment	-	-	8,002	-	-	-	8,002	-	-	8,002
Revaluation surplus on land and buildings (net of tax)	-	-	-	-	-	52,799	52,799	-	-	52,799
Exchange differences arising from translation of foreign operations and foreign currency loans	-	-	-	-	-	-	-	-	-	-
forming part of net investment in foreign operations	-	-	2,034	-	-	-	2,034	-	(945)	1,089
Total other comprehensive income	-	-	10,036	-	(16,084)	52,799	46,751	-	(945)	45,806

Transactions with owners, recognised directly in equity

Contributions by and distributions to owners

REIT Manager's management fee payable in Stapled Securities	22,340	-	-	-	-	-	22,340	-	-	22,340
BT Trustee-Manager's management fee payable in Stapled Securities	2,329	-	-	-	-	-	2,329	-	-	2,329
Issue of Stapled Securities under equity fund raising	303,053	-	-	-	-	-	303,053	-	-	303,053
Issue expenses relating to equity fund raising	(5,800)	-	-	-	-	-	(5,800)	-	-	(5,800)
REIT Manager's acquisition fees payable in Stapled Securities	2,982	-	-	-	-	-	2,982	-	-	2,982
Distribution to Stapled Securityholders	(149,028)	(49,183)	-	-	-	-	(198,211)	-	-	(198,211)
Distribution to perpetual securities holders	-	-	-	-	-	-	-	(13,495)	-	(13,495)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(3,286)	(3,286)
Total contributions by and distributions to owners	175,876	(49,183)	-	-	-	-	126,693	(13,495)	(3,286)	109,912

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

Stapled Group	Attributable to Stapled Securityholders								Total equity \$'000	
	Stapled Securities in issue \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Hedging reserve \$'000	Asset revaluation reserve \$'000	Total \$'000	Non-controlling interests \$'000		
Changes in ownership interests in subsidiaries										
Change in ownership interests in subsidiaries with no change in control										
	-	(287)	-	-	-	-	(287)	-	287	
	-	(287)	-	-	-	-	(287)	-	287	
Total changes in ownership interests in subsidiaries										
At 31 December 2023	3,250,937	1,380,750	(421,777)	724	21,346	124,373	4,356,353	396,298	77,643	4,830,294

Changes in ownership interests in subsidiaries

Change in ownership interests in subsidiaries with no change in control

Total changes in ownership interests in subsidiaries

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

BY GEOGRAPHY

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		Ascott REIT Group		Stapled Group		Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Investment properties and investment properties under development												
Australia												
Citadines Connect Sydney Airport	113-121 Baxter Road, Mascot, New South Wales, NSW 2020	Freehold	Not applicable	Not applicable	54,418	54,476	54,418	54,476	1.2	1.4	1.5	1.6
Citadines on Bourke Melbourne	131-135 Bourke Street, Melbourne, Victoria 3000	Freehold	Not applicable	Not applicable	152,176	152,050	152,176	152,050	3.5	3.8	4.1	4.4
Citadines St Georges Terrace Perth	185 St Georges Terrace, Perth WA 6000	Freehold	Not applicable	Not applicable	16,397	16,350	16,397	16,350	0.4	0.4	0.4	0.5
Quest Campbelltown	1 Rennie Road, Woodbine, NSW 2560	Freehold	Not applicable	Not applicable	20,641	21,107	20,641	21,107	0.5	0.5	0.6	0.6
Quest Cannon Hill ⁽¹⁾	930 Wynnnum Road, Cannon Hill, Brisbane, Queensland 4170	Freehold	Not applicable	Not applicable	28,418	28,348	28,418	28,348	0.7	0.7	0.8	0.8
Quest Macquarie Park	71 Epping Road, Macquarie Park, NSW 2113	Freehold	Not applicable	Not applicable	40,001	40,030	40,001	40,030	0.9	1.0	1.1	1.2
Quest Mascot	108-114 Robey Road, Mascot, NSW 2020	Freehold	Not applicable	Not applicable	23,475	23,347	23,475	23,347	0.5	0.6	0.6	0.7
Quest Sydney Olympic Park	6 Edwin Flack Avenue, Sydney Olympic Park, NSW 2127	Leasehold	99 years	88 years	41,388	40,541	41,388	40,541	1.0	1.0	1.1	1.2
Balance carried forward					376,914	376,249	376,914	376,249	8.7	9.4	10.2	11.0

(1) On 30 November 2022, the CapitalLand Ascott REIT Group acquired Quest Cannon Hill from Balsamine (Brisbane) Pty Ltd, a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					376,914	376,249	376,914	376,249	8.7	9.4	10.2	11.0
Belgium												
Citadines Sainte-Catherine Brussels	51 quai au Bois à Brûler, 1000 Brussels	Freehold	Not applicable	Not applicable	40,433	28,356	40,433	28,356	0.9	0.7	1.1	0.8
Citadines Toison d'Or Brussels	61-63 avenue de la Toison d'Or, 1060 Brussels	Freehold	Not applicable	Not applicable	32,808	24,904	32,808	24,904	0.8	0.6	0.9	0.7
China												
Citadines Xinghai Suzhou	Block 27, Jiacheng Gardens, 58 Xinghai Street, Suzhou Industrial Park, Suzhou 215021	Leasehold	70 years	43 years	22,080	25,499	22,080	25,499	0.5	0.6	0.6	0.7
Citadines Zhuanhou Wuhan	159 Dongfeng Avenue (Xianglong Business Centre Zone C), Wuhan Economic and Technological Development Zone, Wuhan 430056	Leasehold	40 years	20 years	30,139	35,494	30,139	35,494	0.8	1.0	0.8	1.0
Balance carried forward					502,374	490,502	502,374	490,502	11.7	12.3	13.6	14.2

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2023 \$'000	Ascott REIT Group 2023 \$'000	CapitalLand 2023 \$'000	Ascott REIT Group 2022 \$'000	Stapled Group 2023 %	Stapled Group 2022 %	Ascott REIT Group 2023 %	CapitalLand 2022 %
Balance brought forward					502,374	490,502	502,374	490,502	11.7	12.3	13.6	14.2
China (continued)												
Somerset Grand Central Dalian	No. 128-2 Jinma Road, Dalian Development Area, Dalian 116600	Leasehold	50 years	33 years	69,308	80,520	69,308	80,520	1.6	2.0	1.9	2.3
Somerset Heping Shenyang	80 Taiyuan North Street, Heping District, Shenyang 110000	Leasehold	40 years	23 years	51,835	60,604	51,835	60,604	1.2	1.5	1.4	1.8
Somerset Olympic Tower Property Tianjin	126 Chengdu Road, Heping District, Tianjin 300051	Leasehold	70 years	39 years	51,367	59,635	51,367	59,635	1.2	1.5	1.4	1.7
Balance carried forward					674,884	691,261	674,884	691,261	15.7	17.3	18.3	20.0

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					674,884	691,261	674,884	691,261	15.7	17.3	18.3	20.0
France												
Citadines Antigone Montpellier ⁽²⁾	588 boulevard d'Antigone, 34000 Montpellier	Freehold	Not applicable	Not applicable	10,620	12,482	10,620	12,482	0.2	0.3	0.3	0.4
Citadines Austerlitz Paris ⁽²⁾	27 rue Esquirol, 75013 Paris	Freehold	Not applicable	Not applicable	10,108	10,496	10,108	10,496	0.2	0.3	0.3	0.3
Citadines Castellane Marseille ⁽²⁾⁽³⁾	60 rue du Rouet, 13006 Marseille	Freehold	Not applicable	Not applicable	-	9,787	-	9,787	-	0.2	-	0.3
Citadines City Centre Lille ⁽²⁾⁽³⁾	Avenue Willy Brandt - Eurailille, 59777 Lille	Freehold	Not applicable	Not applicable	-	12,624	-	12,624	-	0.3	-	0.4
Citadines Croisette Cannes ⁽²⁾⁽³⁾	1 rue le Poussin, 06400 Cannes	Freehold	Not applicable	Not applicable	-	7,376	-	7,376	-	0.2	-	0.2
Balance carried forward					695,612	744,026	695,612	744,026	16.1	18.6	18.9	21.6

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.

(3) In March 2023, these four investment properties were reclassified to "Assets held for sale" (Note 15), pursuant to the planned divestment of these properties to Extendam, an unrelated corporation, which was entered into on 3 April 2023 and completed on 22 September 2023.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	CapitalLand Ascott REIT Group 2022	Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	CapitalLand Ascott REIT Group 2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					695,612	744,026	695,612	744,026	16.1	18.6	18.9	21.6
France (continued)												
Citadines Les Halles Paris ⁽²⁾	4 rue des Innocents, 75001 Paris	Freehold	Not applicable	Not applicable	81,592	82,239	81,592	82,239	2.0	2.2	2.2	2.4
Citadines Maine Montparnasse Paris ⁽²⁾	67 avenue du Maine, 75014 Paris	Freehold	Not applicable	Not applicable	22,705	17,163	22,705	17,163	0.5	0.4	0.6	0.5
Citadines Montmartre Paris ⁽²⁾	16 avenue Rachel, 75018 Paris	Freehold	Not applicable	Not applicable	34,131	33,332	34,131	33,332	0.8	0.8	0.9	1.0
Citadines Place d'Italie Paris ⁽²⁾	18 place d'Italie, 75013 Paris	Freehold	Not applicable	Not applicable	51,563	49,360	51,563	49,360	1.2	1.2	1.4	1.4
Citadines Prado Chanoit Marseille ⁽²⁾⁽³⁾	9-11 boulevard de Louvain, 13008 Marseille	Freehold	Not applicable	Not applicable	-	8,964	-	8,964	-	0.2	-	0.3
Balance carried forward					885,603	935,084	885,603	935,084	20.6	23.4	24.0	27.2

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.

(3) In March 2023, these four investment properties were reclassified to "Assets held for sale" (Note 15), pursuant to the planned divestment of these properties to Extendam, an unrelated corporation, which was entered into on 3 April 2023 and completed on 22 September 2023.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease 2022	At Valuation			Percentage of Stapled Securityholders' funds		
					Stapled Group 2023	CapitalLand Ascott REIT Group 2023	CapitalLand Ascott REIT Group 2022	Stapled Group 2023	CapitalLand Ascott REIT Group 2023	CapitalLand Ascott REIT Group 2022
					\$'000	\$'000	\$'000	%	%	%
Balance brought forward					885,603	935,084	935,084	20.6	23.4	27.2
France (continued)										
Citadines Presqu'île Lyon ⁽²⁾	2 rue Thomassin, 69002 Lyon	Freehold	Not applicable	Not applicable	18,604	18,014	18,604	0.4	0.5	0.5
Citadines République Paris ⁽²⁾	75 bis, avenue Parmentier, 75011 Paris	Freehold	Not applicable	Not applicable	25,049	21,276	25,049	0.6	0.5	0.6
Citadines Tour Eiffel Paris ⁽²⁾	132 boulevard de Grenelle, 75015 Paris	Freehold	Not applicable	Not applicable	66,709	61,218	66,709	1.5	1.5	1.8
Citadines Trocadéro Paris ⁽³⁾	29 bis, rue Saint-Didier, 75116 Paris	Freehold	Not applicable	Not applicable	47,871	45,729	47,871	1.1	1.2	1.3
La Clef Louvre Paris ⁽²⁾	8 rue de Richelieu, 75001 Paris	Freehold	Not applicable	Not applicable	53,145	44,637	53,145	1.2	1.1	1.3
La Clef Tour Eiffel Paris ⁽²⁾⁽⁴⁾	83 avenue Kléber, 75016 Paris	Freehold	Not applicable	Not applicable	145,656	147,797	145,656	3.3	3.7	4.3
Balance carried forward					1,242,637	1,273,755	1,242,637	28.7	31.9	37.0

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.

(4) On 30 November 2022, the CapitalLand Ascott REIT Group acquired La Clef Tour Eiffel Paris from Ascott Holdings (Europe) N.V., a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		Ascott REIT Group		Stapled Group		Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					1,242,637	1,273,755	1,242,637	1,273,755	28.7	31.9	33.6	37.0
Germany												
Citadines Arnulfpark Munich ⁽²⁾	Arnulfstrasse 51, 80636 München	Freehold	Not applicable	Not applicable	38,892	35,205	38,892	35,205	0.9	0.9	1.1	1.0
Citadines City Centre Frankfurt ⁽²⁾	Europa-Allee 23, 60327 Frankfurt am Main	Freehold	Not applicable	Not applicable	55,811	54,608	55,811	54,608	1.3	1.4	1.5	1.6
Citadines Kurfürstendamm Berlin ⁽²⁾	Olivaer Platz 1, 10707 Berlin-Wilmersdorf	Freehold	Not applicable	Not applicable	22,412	20,170	22,412	20,170	0.5	0.5	0.6	0.6
Citadines Michel Hamburg ⁽²⁾	Ludwig-Erhard-Straße 7, 20459 Hamburg	Leasehold	99 years	87 years	50,537	43,616	50,537	43,616	1.2	1.1	1.4	1.3
The Madison Hamburg	Schaarsteinweg 4, 20459 Hamburg	Freehold	Not applicable	Not applicable	87,358	70,778	87,358	70,778	2.0	1.8	2.4	2.1
Indonesia												
Ascott Jakarta ⁽⁵⁾	Jalan Kebon Kacang Raya No. 2, Jakarta 10230	Leasehold	30 years	30 years	53,771	54,570	53,771	54,570	1.2	1.4	1.5	1.6
Ascott Kuningan Jakarta ⁽⁶⁾	Ciputra World 1 Jalan Prof Dr Satrio Kav. 3-5 Jakarta 12940	Leasehold	30 years	3 years	55,638	-	55,638	-	1.3	-	1.5	-
Somerset Grand Citra Jakarta ⁽⁶⁾	Jalan Prof Dr Satrio Kav. 1, Jakarta 12940	Leasehold	20 years	21 years	34,188	33,497	34,188	33,497	0.8	0.8	0.9	1.0
Balance carried forward					1,641,244	1,586,199	1,641,244	1,586,199	37.9	39.8	44.5	46.2

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.

(5) The valuations of the Indonesia properties as at 31 December 2022 were based on the assumption that the lease will be renewed upon their expiry.

(6) On 30 November 2023, the CapitalLand Ascott REIT Group acquired Ascott Kuningan Jakarta from Platra Pre Ltd, a related corporation. The valuation was based on discounted cashflow method. The valuation of the property as at 31 December 2023 was based on the assumption that the lease will be renewed upon its expiry.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					1,641,244	1,586,199	1,641,244	1,586,199	37.9	39.8	44.5	46.2
Japan												
Citadines Central Shinjuku Tokyo	1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021	Freehold	Not applicable	Not applicable	110,911	115,320	110,911	115,320	2.5	2.9	3.0	3.3
Citadines Karasuma-Gojo Kyoto	432 Matsuya-cho, Gojo-dori Karasuma-Higashiru, Shimogyo-ku, Kyoto 600-8105	Freehold	Not applicable	Not applicable	41,102	45,029	41,102	45,029	0.9	1.1	1.1	1.3
Citadines Shinjuku Tokyo	1-28-13 Shinjuku, Shinjuku-ku, Tokyo 1600022	Freehold	Not applicable	Not applicable	82,672	86,649	82,672	86,649	1.9	2.2	2.2	2.5
Hotel WBF Honmachi ⁽⁷⁾	4-4-10, Kitakyuhohjimachi, Chuo-Ku, Osaka 541-0057	Freehold	Not applicable	Not applicable	-	31,069	-	31,069	-	0.8	-	0.9
Hotel WBF Kitasemba East ⁽⁷⁾	2-6-8, Awajicho, Chuo-Ku, Osaka 541-0047	Freehold	Not applicable	Not applicable	-	31,886	-	31,886	-	0.8	-	0.9
Hotel WBF Kitasemba West ⁽⁷⁾	3-2-7, Awajicho, Chuo-Ku, Osaka 541-0047	Freehold	Not applicable	Not applicable	-	32,162	-	32,162	-	0.8	-	0.9
Sotetsu Grand Fresa Tokyo-Bay Ariake	3-6-6 Ariake Koto-ku, Tokyo 135-0063	Freehold	Not applicable	Not applicable	261,240	273,896	261,240	273,896	6.0	6.9	7.1	7.9
Balance carried forward					2,137,169	2,202,210	2,137,169	2,202,210	49.2	55.3	57.9	63.9

(7) As at 31 December 2023, these three investment properties were reclassified to "Assets held for sale" (Note 15), pursuant to the divestment of these properties.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					2,137,169	2,202,210	2,137,169	2,202,210	49.2	55.3	57.9	63.9
Japan (continued)												
Actus Hakata V-Tower	3-15-10 Hakata Ekimae, Hakata-ku, Fukuoka	Freehold	Not applicable	Not applicable	40,268	41,347	40,268	41,347	0.9	1.0	1.1	1.2
Alpha Square Kita 15 jo	2-5, Kita 15 jo Higashi 1-chome, Higashi-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	21,832	24,324	21,832	24,324	0.5	0.6	0.6	0.7
Big Palace Kita 14 jo	4-1-6 Kita 14 jo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	17,634	18,703	17,634	18,703	0.4	0.5	0.5	0.5
Big Palace Minami 5 jo	3-1, Minami 5 jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	23,605	25,550	23,605	25,550	0.5	0.6	0.6	0.7
City Court Kita 1 jo	6-3 Kita 1 jo Higashi 1-chome, Chuo-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	Not applicable	23,467	26,572	23,467	26,572	0.5	0.7	0.6	0.8
Eslead College Gate Kindaimae®	19-28, 3-chome Kowakae, Higashiosaka-shi, Osaka 577-0818	Freehold	Not applicable	Not applicable	16,745	18,007	16,745	18,007	0.4	0.5	0.5	0.5
Eslead Residence Bentencho Grande®	15-44, Benten 5-chome, Minato-ku, Osaka-shi, Osaka	Freehold	Not applicable	Not applicable	18,473	20,185	18,473	20,185	0.4	0.5	0.5	0.6
Balance carried forward					2,299,193	2,376,898	2,299,193	2,376,898	52.8	59.7	62.3	68.9

(8) On 18 March 2022, the CapitalLand Ascott REIT Group acquired Eslead College Gate Kindaimae from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.
 (9) On 16 December 2022, the CapitalLand Ascott REIT Group acquired Eslead Residence Bentencho Grande from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					2,299,193	2,376,898	2,299,193	2,376,898	52.8	59.7	62.3	68.9
Japan (continued)												
Eslead Residence Osaka Fukushima East ⁽¹⁰⁾	8-7, Sagisu 5-chome, Fukushima-ku, Osaka	Freehold	Not applicable	Not applicable	19,220	-	19,220	-	0.4	-	0.5	-
Eslead Residence Umeda Grande ⁽¹¹⁾	9-3, Nakatsu 4-chome, Kita-ku, Osaka-shi Osaka	Freehold	Not applicable	Not applicable	11,943	13,296	11,943	13,296	0.4	0.4	0.3	0.4
Granfore Hakata Waterfront ⁽¹²⁾	104-2, Sekijomachi, Hakata-ku, Fukuoka	Freehold	Not applicable	Not applicable	40,492	-	40,492	-	0.9	-	1.1	-
Gravis Court Kakomachi	13-10, Kakomachi, Naka-ku, Hiroshima	Freehold	Not applicable	Not applicable	6,111	6,449	6,111	6,449	0.1	0.2	0.2	0.2
Gravis Court Kokutaiji	2-1-9, Kokutaijimachi, Naka-ku, Hiroshima	Freehold	Not applicable	Not applicable	4,544	4,926	4,544	4,926	0.1	0.1	0.1	0.1
Gravis Court Nishiharaekimae	8-38-10, Nishihara, Asaminami-ku, Hiroshima	Freehold	Not applicable	Not applicable	3,769	4,098	3,769	4,098	0.1	0.1	0.1	0.1
House Saison Shijo-Dori ⁽¹³⁾	47-2, Kasaboko-cho, Shimogyo-ku, Kyoto	Freehold	Not applicable	Not applicable	27,337	29,945	27,337	29,945	0.6	0.8	0.7	0.9
Infini Garden	3-2-2,3,4,5 KashiTeriha, Higashi-ku, Fukuoka	Freehold	Not applicable	Not applicable	76,121	78,638	76,121	78,638	1.7	2.0	2.1	2.3
Balance carried forward					2,488,730	2,514,250	2,488,730	2,514,250	57.1	63.3	67.4	72.9

(10) On 5 April 2023, the CapitalLand Ascott REIT Group acquired Eslead Residence Osaka Fukushima East from Eslead Corporation, an unrelated third party. The valuation was based on discounted cashflow method.
(11) On 16 December 2022, the CapitalLand Ascott REIT Group acquired Eslead Residence Umeda Grande from Eslead Corporation, an unrelated third party. The valuation was based on discounted cashflow method.
(12) On 19 May 2023, the CapitalLand Ascott REIT Group acquired Granfore Hakata Waterfront from KOSE R.E. Co. Ltd., an unrelated third party. The valuation was based on discounted cashflow method.
(13) On 30 November 2022, the CapitalLand Ascott REIT Group acquired the properties from ARC-CapitalLand Two TMK, a related corporation. The valuation was based on discounted cashflow method.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					2,488,730	2,514,250	2,488,730	2,514,250	57.1	63.3	67.4	72.9
Japan (continued)												
Marunouchi Central Heights ⁽¹³⁾	3-23-6 Marunouchi, Naka-ku, Nagoya city, Aichi	Freehold	Not applicable	Not applicable	6,699	7,338	6,699	7,338	0.2	0.2	0.2	0.2
Roppongi Residences Tokyo	3-4-31 Roppongi, Minato-ku, Tokyo 106-0032	Freehold	Not applicable	Not applicable	34,927	36,919	34,927	36,919	0.8	0.9	0.9	1.1
S-Residence Fukushima Luxe	7-22-9, Fukushima, Fukushima-ku, Osaka	Freehold	Not applicable	Not applicable	30,490	32,789	30,490	32,789	0.7	0.8	0.8	1.0
S-Residence Gakuenzaka ⁽¹³⁾	2-1-1 Shimodera, Naniwa-ku, Osaka-shi, Osaka	Freehold	Not applicable	Not applicable	12,036	13,184	12,036	13,184	0.3	0.3	0.3	0.4
S-Residence Hommachi Marks	2-3-6, Tokuicho, Chuo-ku, Osaka	Freehold	Not applicable	Not applicable	16,701	17,681	16,701	17,681	0.4	0.4	0.5	0.5
S-Residence Midoribashi Serio	3-17-6, Nakamoto, Higashinari-ku, Osaka	Freehold	Not applicable	Not applicable	15,115	15,637	15,115	15,637	0.3	0.4	0.4	0.5
S-Residence Namba Viale ⁽¹³⁾	3-9-1 Motomachi, Naniwa-ku, Osaka-shi, Osaka	Freehold	Not applicable	Not applicable	16,887	18,498	16,887	18,498	0.4	0.5	0.5	0.5
S-Residence Shukugawa ⁽¹³⁾	2-88 Kamizono-cho, Nishinomiya city, Hyogo	Freehold	Not applicable	Not applicable	7,147	8,074	7,147	8,074	0.2	0.2	0.2	0.2
S-Residence Tanimachi 9 chome	4-29, Ikutamamaemachi, Tennoji-ku, Osaka	Freehold	Not applicable	Not applicable	17,820	18,907	17,820	18,907	0.4	0.5	0.5	0.5
Balance carried forward					2,646,552	2,683,277	2,646,552	2,683,277	60.8	67.5	71.7	77.8

(13) On 30 November 2022, the CapitalLand Ascott REIT Group acquired the properties from ARC-CapitalLand Two TMK, a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	Ascott REIT Group 2022	Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	Ascott REIT Group 2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					2,646,552	2,683,277	2,646,552	2,683,277	60.8	67.5	71.7	77.8
Malaysia												
Somerset Kuala Lumpur	187 Jalan Ampang, 50450, Kuala Lumpur	Freehold	Not applicable	Not applicable	35,054	40,340	35,054	40,340	0.8	1.0	0.9	1.2
Philippines												
Ascott Makati	Glorietta 4, Ayala Center, Makati City 1224	Leasehold	48 years	20 years	94,406	96,268	94,406	96,268	2.2	2.4	2.6	2.8
Somerset Millennium Makati	104 Aguirre Street, Legaspi Village, Makati City 1229	Freehold	Not applicable	Not applicable	13,145	13,604	13,145	13,604	0.4	0.4	0.4	0.4
Singapore												
Ascott Orchard Singapore	11 Cairnhill Road, Singapore 229724	Leasehold	99 years	89 years	434,266	403,115	434,266	403,115	10.0	10.2	11.7	11.7
Citadines Mount Sophia Property Singapore ⁽¹⁴⁾	8 Wilkie Road, #01-26 Wilkie Edge, Singapore 228095	Leasehold	96 years	81 years	-	123,693	-	123,693	-	3.1	-	3.6
lyf one-north Singapore	80 Nepal Park, Singapore 139409	Leasehold	60 years	55 years	144,365	127,031	144,365	127,031	3.3	3.2	3.9	3.7
The Robertson House by The Crest Collection (formerly known as Riverside Hotel Robertson Quay)	1 Unity Street, Singapore 237983	Leasehold	99 years	82 years	-	-	352,588	338,927	-	-	9.5	9.8
Balance carried forward					3,367,788	3,487,328	3,720,376	3,826,255	77.5	87.8	100.7	111.0

(14) As at 31 December 2023, the investment property was reclassified to "Assets held for sale" (Note 15), pursuant to the planned divestment of this property which was entered into and completed in the first quarter of 2024.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	CapitalLand Ascott REIT Group 2022	Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	CapitalLand Ascott REIT Group 2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					3,367,788	3,487,328	3,720,376	3,826,255	77.5	87.8	100.7	111.0
Singapore (continued)												
Somerset Liang Court Property Singapore (under development)	177B River Valley Road, Singapore 179032	Leasehold	99 years	97 years	268,000	257,000	268,000	257,000	6.2	6.5	7.3	7.5
Spain												
Citadines Ramblas Barcelona	Ramblas 122, 08002 Barcelona	Freehold	Not applicable	Not applicable	71,332	53,200	71,332	53,200	1.6	1.3	1.9	1.5
United Kingdom												
Citadines Barbican London	7-21 Goswell Road, London EC1M 7AH	Freehold	Not applicable	Not applicable	84,835	69,655	84,835	69,655	1.9	1.8	2.3	2.0
Citadines Holborn-Covent Garden London	94-99 High Holborn, London WC1V 6LF	Freehold	Not applicable	Not applicable	165,257	155,990	165,257	155,990	3.8	3.9	4.5	4.5
Citadines South Kensington London	35A Gloucester Road, London SW7 4PL	Freehold	Not applicable	Not applicable	76,060	71,108	76,060	71,108	1.7	1.8	2.1	2.1
Citadines Trafalgar Square London	18/21 Northumberland Avenue, London WC2N 5EA	Freehold	Not applicable	Not applicable	192,702	164,628	192,702	164,628	4.4	4.2	5.2	4.8
The Cavendish London ⁽¹⁵⁾	81 Jermyn St, St. James's, London SW1Y 6JF	Leasehold	150 years	135 years	366,269	-	366,269	-	8.4	-	9.9	-
Balance carried forward					4,592,243	4,258,909	4,944,831	4,597,836	105.5	107.3	133.9	133.4

(15) On 30 November 2023, the CapitalLand Ascott REIT Group acquired The Cavendish London from Ascott (Jersey) Limited, a related corporation. The valuation was based on discounted cashflow method.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2023 \$'000	Stapled Group 2022 \$'000	Ascott REIT Group 2023 \$'000	Capital Land Ascott REIT Group 2022 \$'000	Stapled Group 2023 %	Stapled Group 2022 %	Ascott REIT Group 2023 %	Capital Land Ascott REIT Group 2022 %
Balance brought forward					4,592,243	4,258,909	4,944,831	4,597,836	105.5	107.3	133.9	133.4
United States of America												
Element New York Times Square West	311 West 39th Street, New York, New York 10018	Leasehold	99 years	89 years	169,064	204,884	169,064	204,884	3.9	5.2	4.6	5.9
Sheraton Tribeca New York Hotel	370 Canal Street, New York, New York 10013	Leasehold	99 years	89 years	188,667	202,358	188,667	202,358	4.3	5.1	5.1	5.9
voco Times Square South	343 West 36th Street, New York, New York 10018	Freehold	Not applicable	Not applicable	178,578	175,514	178,578	175,514	4.1	4.4	4.8	5.1
Paloma Kent ⁽¹⁶⁾	1450 E Summit Street Kent, OH 44240	Leasehold	99 years	94 years	44,337	43,687	44,337	43,687	1.0	1.1	1.2	1.3
Paloma Raleigh	5701 Hillsborough Street, Raleigh, North Carolina 27606	Freehold	Not applicable	Not applicable	89,086	87,302	89,086	87,302	2.0	2.2	2.4	2.5
Paloma University City	3600 Lancaster Avenue, Philadelphia, Pennsylvania 19104	Freehold	Not applicable	Not applicable	80,176	83,961	80,176	83,961	1.8	2.1	2.2	2.4
Paloma West Midtown	800 Marietta Street NW, Atlanta, Georgia, 30318	Freehold	Not applicable	Not applicable	154,787	149,098	154,787	149,098	3.6	3.8	4.2	4.3
Balance carried forward					5,496,938	5,205,713	5,849,526	5,544,640	126.2	131.2	158.4	160.8

(16) On 9 February 2022, the CapitalLand Ascott REIT Group acquired Paloma Kent from Residences at Kent State Property Owner, LLC, an unrelated third party. The valuation was based on direct capitalisation and discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group	Ascott REIT Group	CapitalLand	Ascott REIT Group	Stapled Group	Ascott REIT Group	CapitalLand	Ascott REIT Group
					2023	2022	\$'000	\$'000	2023	2022	2023	2022
Balance brought forward					5,496,938	5,205,713	5,849,526	5,544,640	126.2	131.2	158.4	160.8
United States of America (continued)												
Seven07	707 South Fourth Street, Champaign, Illinois 61820	Freehold	Not applicable	Not applicable	120,280	117,946	120,280	117,946	2.8	3.0	3.3	3.4
Standard at Columbia ⁽¹⁷⁾	1401 Assembly Street, Columbia, South Carolina 29201	Freehold	Not applicable	Not applicable	158,000	128,707	158,000	128,707	3.6	3.2	4.3	3.7
Uncommon Wilmington	2421 Playa Way, Wilmington, North Carolina 28403	Freehold	Not applicable	Not applicable	74,562	77,516	74,562	77,516	1.7	2.0	2.0	2.2
Wildwood Lubbock	1701 N. Quaker Avenue, Lubbock, Texas, 79416	Freehold	Not applicable	Not applicable	110,990	107,737	110,990	107,737	2.5	2.7	3.0	3.1
Balance carried forward					5,960,770	5,637,619	6,313,358	5,976,546	136.8	142.1	171.0	173.2

(17) On 30 November 2022, the CapitalLand Ascott REIT Group acquired Standard at Columbia from TAHL PBSA Venture Pte Ltd, a related corporation. The valuation was based on direct capitalisation method.

The accompanying notes form an integral part of these financial statements.

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As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	Ascott REIT Group 2022	Stapled Group 2023	Stapled Group 2022	Ascott REIT Group 2023	Ascott REIT Group 2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					5,960,770	5,637,619	6,313,358	5,976,546	136.8	142.1	171.0	173.2
Vietnam												
Somerset Central TD Hai Phong City ⁽¹⁸⁾	Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City	Leasehold	64 years	52 years	22,778	23,211	22,778	23,211	0.5	0.6	0.6	0.7
Somerset Chancellor Court Ho Chi Minh City	21-23 Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City	Leasehold	48 years	18 years	37,858	43,290	37,858	43,290	0.9	1.1	1.0	1.3
Somerset Grand Hanoi	49 Hai Ba Trung Street, Hanoi	Leasehold	45 years	14 years	70,515	84,293	70,515	84,293	1.6	2.1	1.8	2.5
Somerset Ho Chi Minh City	8A Nguyen Binh Khiem Street, District 1, Ho Chi Minh City	Leasehold	45 years	16 years	31,718	36,179	31,718	36,179	0.7	0.9	0.9	1.0
Somerset Hoa Binh Hanoi	106 Hoang Quoc Viet Street, Cau Giay, Hanoi	Leasehold	36 years	18 years	25,990	31,148	25,990	31,148	0.7	0.9	0.7	1.0
Portfolio of investment properties and investment properties under development												
Right-of-use assets					6,149,629	5,855,740	6,502,217	6,194,667	141.2	147.7	176.0	179.7
Investment properties and investment properties under development on the Statement of Financial Position of the CapitalLand Ascott REIT Group					263,965	267,014	263,965	267,014	6.1	6.7	7.1	7.7
Balance carried forward					6,413,594	6,122,754	6,766,182	6,461,681	147.3	154.4	183.1	187.4
					6,413,594	6,122,754	6,766,182	6,461,681	147.3	154.4	183.1	187.4

(18) On 30 November 2022, the CapitalLand Ascott REIT Group acquired Somerset Central TD Hai Phong City from Vibrant Coral Overseas Inc., a related corporation. The valuation was based on discounted cash flow method.

The accompanying notes form an integral part of these financial statements.

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		Ascott REIT Group		Stapled Group		Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					6,413,594	6,122,754	6,766,182	6,461,681	147.3	154.4	183.1	187.4
Investment properties of the CapitaLand Ascott BT Group												
Japan												
Sotetsu Grand Fresa Osaka-Namba	1-1-13, Nipponbashi, Chuo-ku, Osaka 542-0073	Freehold	Not applicable	Not applicable	193,131	207,466	-	-	4.4	5.2	-	-
South Korea												
ibis Ambassador Seoul Insadong	31 Samil-daero 30-gil, Ikseon-dong, Jongno-gu, Seoul	Freehold	Not applicable	Not applicable	81,146	81,120	-	-	1.9	2.0	-	-
Sotetsu Hotels The Splaisir Seoul Dongdaemun	226 Jangchoongdan-ro, Gwanghui-dong, Jung-gu, Seoul	Freehold	Not applicable	Not applicable	81,146	78,000	-	-	1.9	2.0	-	-
Investment properties and investment properties under development on the Statement of Financial Position of the Stapled Group					6,769,017	6,489,340	6,766,182	6,461,681	155.5	163.6	183.1	187.4
Balance carried forward					6,769,017	6,489,340	6,766,182	6,461,681	155.5	163.6	183.1	187.4

The accompanying notes form an integral part of these financial statements.

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation			Percentage of Stapled Securityholders' funds			
					Stapled Group	Ascott REIT Group	CapitalLand	Stapled Group	Ascott REIT Group	CapitalLand	
					2023	2022	2023	2022	2023	2022	
					\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					6,769,017	6,489,340	6,766,182	6,461,681	155.5	163.6	187.4
Freehold land and buildings of the CapitalLand Ascott BT Group											
Australia											
Courtyard by Marriott Sydney-North Ryde ⁽¹⁹⁾	7-11 Talavera Road, North Ryde, NSW 2113	Freehold	Not applicable	Not applicable	-	48,946	-	-	-	1.2	-
Novotel Sydney Central	169-179 Thomas Street, Sydney, NSW 2000	Freehold	Not applicable	Not applicable	145,560	144,847	-	-	3.3	3.7	-
Novotel Sydney Parramatta ⁽¹⁹⁾	350 Church Street, Parramatta, NSW 2150	Freehold	Not applicable	Not applicable	-	38,954	-	-	-	1.0	-
Pullman and Mercure Brisbane King George Square	Corner Ann and Roma Street, Brisbane, QLD 4000	Freehold	Not applicable	Not applicable	82,644	73,191	-	-	1.9	1.8	-
Pullman and Mercure Melbourne Albert Park	65 Queens Road, Melbourne, VIC 3004	Freehold	Not applicable	Not applicable	90,605	89,890	-	-	2.1	2.3	-
Pullman Sydney Hyde Park	36 College Street, Sydney, NSW 2000	Freehold	Not applicable	Not applicable	144,647	140,797	-	-	3.3	3.6	-
Ireland											
Temple Bar Hotel ⁽²⁰⁾	13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51	Freehold	Not applicable	Not applicable	114,235	-	-	-	2.6	-	-
Portfolio of freehold land and buildings of the CapitalLand Ascott BT Group											
Total investment properties, investment properties under development and freehold land and buildings					577,691	536,625	-	-	13.2	13.6	-
					7,346,708	7,025,965	6,766,182	6,461,681	168.7	177.2	187.4

(19) On 31 December 2023, these two hotels were reclassified to "Assets held for sale" (Note 15), pursuant to the divestment of these properties.

(20) On 30 November 2023, the CapitalLand Ascott BT Group acquired Temple Bar Hotel from Citadines Temple Bar Limited, a related corporation. The valuation was based on discounted cashflow method.

The accompanying notes form an integral part of these financial statements.

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease	At Valuation				Percentage of Stapled Securityholders' funds			
					Stapled Group		CapitalLand Ascott REIT Group		Stapled Group		CapitalLand Ascott REIT Group	
					2023	2022	2023	2022	2023	2022	2023	2022
					\$'000	\$'000	\$'000	\$'000	%	%	%	%
Balance brought forward					7,346,708	7,025,965	6,766,182	6,461,681	168.7	177.2	183.1	187.4
Leasehold land and buildings - The Robertson House by The Crest Collection												
Other assets and liabilities (net)					352,588	338,927	-	-	8.1	8.5	-	-
Net assets					(2,869,002)	(2,920,097)	(2,597,780)	(2,534,369)	(65.9)	(73.6)	(70.3)	(73.5)
Perpetual securities holders					4,830,294	4,444,795	4,168,402	3,927,312	110.9	112.1	112.8	113.9
Non-controlling interests					(396,298)	(396,298)	(396,298)	(396,298)	(9.1)	(10.0)	(10.7)	(11.5)
Stapled Securityholders' funds					(77,643)	(83,061)	(75,949)	(81,446)	(1.8)	(2.1)	(2.1)	(2.4)
					4,356,353	3,965,436	3,696,155	3,449,568	100.0	100.0	100.0	100.0

The accompanying notes form an integral part of these financial statements.

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As at 31 December 2023

On 31 December 2023, Citadines Zhuankou Wuhan, Somerset Grand Central Dalian, Somerset Heping Shenyang, Somerset Olympic Tower Property Tianjin, Citadines Central Shinjuku Tokyo, Citadines Karasuma-Gojo Kyoto, Citadines Shinjuku Tokyo, Hotel WBF Honmachi, Hotel WBF Kitasemba East, Hotel WBF Kitasemba West, Sotetsu Grand Fresa Tokyo-Bay Ariake, Actus Hakata V-Tower, Alpha Square Kita 15 jo, Big Palace Kita 14 jo, Big Palace Minami 5 jo, City Court Kita 1 jo, Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Osaka Fukushima East, Eslead Residence Umeda Grande, Granfore Hakata Waterfront, Gravis Court Kakomachi, Gravis Court Kokutaiji, Gravis Court Nishiharaekimae, House Saison Shijo-Dori, Infini Garden, Marunouchi Central Heights, Roppongi Residences Tokyo, S-Residence Fukushima Luxe, S-Residence Gakuenzaka, S-Residence Hommachi Marks, S-Residence Midoribashi Serio, S-Residence Namba Viale, S-Residence Shukugawa, S-Residence Tanimachi 9 chome, Element New York Times Square West, Sheraton Tribeca New York Hotel, voco Times Square South, Paloma West Midtown, Seven07, Standard at Columbia, Sotetsu Grand Fresa Osaka-Namba and Temple Bar Hotel, were pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 17).

On 31 December 2022, Citadines Zhuankou Wuhan, Somerset Grand Central Dalian, Somerset Heping Shenyang, Somerset Olympic Tower Property Tianjin, Citadines Central Shinjuku Tokyo, Citadines Karasuma-Gojo Kyoto, Citadines Shinjuku Tokyo, Hotel WBF Honmachi, Hotel WBF Kitasemba East, Hotel WBF Kitasemba West, Sotetsu Grand Fresa Tokyo-Bay Ariake, Actus Hakata V-Tower, Alpha Square Kita 15 jo, Big Palace Kita 14 jo, Big Palace Minami 5 jo, City Court Kita 1 jo, Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Umeda Grande, Gravis Court Kakomachi, Gravis Court Kokutaiji, Gravis Court Nishiharaekimae, House Saison Shijo-Dori, Infini Garden, Marunouchi Central Heights, Roppongi Residences Tokyo, S-Residence Fukushima Luxe, S-Residence Gakuenzaka, S-Residence Hommachi Marks, S-Residence Midoribashi Serio, S-Residence Namba Viale, S-Residence Shukugawa, S-Residence Tanimachi 9 chome, Citadines Mount Sophia Property Singapore, Element New York Times Square West, Sheraton Tribeca New York Hotel, voco Times Square South, Paloma West Midtown, Seven07, Standard at Columbia, Somerset Chancellor Court Ho Chi Minh City, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Sotetsu Grand Fresa Osaka-Namba were pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 17).

As at 31 December 2023, the carrying amounts for most of the investment properties and Somerset Liang Court, investment property under development, were based on independent valuations carried out by HVS. The valuation for the remaining properties are conducted by the following valuers: ibis Ambassador Seoul Insadong and Sotetsu Hotels The Splaisir Seoul Dongdaemun conducted by CBRE; Paloma Kent, Paloma Raleigh, Paloma University City, Paloma West Midtown, Seven07, Standard at Columbia, Uncommon Wilmington, Wildwood Lubbock conducted by JLL Valuation & Advisory Services, LLC; Element New York Times Square West, Sheraton Tribeca New York Hotel and voco Times Square South conducted by Colliers. The freehold land and buildings of the six Australia properties were stated at fair value based on valuations carried out by Colliers. The leasehold land and buildings of The Robertson House by The Crest Collection (formerly known as Riverside Hotel Robertson Quay) and the freehold land and buildings of Temple Bar Hotel were stated at fair value based on valuations carried out by HVS. The Managers believe that the external property valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The Stapled Group's valuations include plant and equipment located in the investment properties. The valuations adopted in the portfolio table above were adjusted for values ascribed to plant and equipment.

As at 31 December 2022, the carrying amounts for most of the investment properties and Somerset Liang Court, investment property under development, were based on independent valuations carried out by Colliers. The valuation for the remaining properties are conducted by the following valuers: Quest Cannon Hill, La Clef Tour Eiffel Paris, House Saison Shijo-Dori, Marunouchi Central Heights, S-Residence Gakuenzaka, S-Residence Namba Viale, S-Residence Shukugawa and Somerset Central TD Hai Phong City conducted by HVS; Eslead Residence Bentencho Grande and Eslead Residence Umeda Grande conducted by Asset Valuation Partners; Standard at Columbia, property under development, conducted by JLL Valuation & Advisory Services, LLC; ibis Ambassador Seoul Insadong, Sotetsu Hotels The Splaisir Seoul Dongdaemun, Element New York Times Square West, Sheraton Tribeca New York Hotel and voco Times Square South conducted by CBRE. The freehold land and buildings of the six Australia properties and leasehold land and buildings of The Robertson House by The Crest Collection (formerly Riverside Hotel Robertson Quay) were stated at fair value based on valuations carried out by Colliers. The Managers believe that the external property valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The Stapled Group's valuations include plant and equipment located in the investment properties. The valuations adopted in the portfolio table above were adjusted for values ascribed to plant and equipment.

The fair values were derived based on the discounted cash flow, direct capitalisation and residual land value methods. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. The valuation methods used in determining the fair value involve certain estimates and assumptions including those relating to discount rate, terminal capitalisation rate, capitalisation rate, revenue per available unit and gross development costs.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2023

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Total return for the year before income tax	295,021	273,742	26,984	4,444	302,225	259,783
Adjustments for:						
Depreciation of property, plant and equipment	12,025	12,514	22,156	22,080	38,897	35,773
Amortisation of deferred income	(106)	-	-	(786)	(106)	(786)
Finance costs	80,795	61,985	12,433	14,616	86,830	69,012
Finance income	(3,125)	(1,176)	(1,318)	(338)	(4,434)	(1,468)
Foreign exchange loss/(gain) - unrealised	17,367	34,448	(2,097)	19,373	15,270	53,821
Loss on disposal of property, plant and equipment	65	345	-	-	1,313	345
Managers' management fees paid/ payable in Stapled Securities	22,340	19,481	2,329	2,276	24,669	21,757
Revaluation surplus on land and buildings	-	-	-	(5,393)	-	(5,393)
Net change in fair value of investment properties, investment properties under development and assets held for sale	(109,405)	(138,850)	(1,746)	4,534	(101,132)	(122,353)
Net change in fair value of financial derivatives	25,283	(597)	(956)	-	24,327	(597)
Net change in fair value of investment securities	(38)	(253)	-	-	-	-
Profit from divestments	(16,016)	(99)	-	-	(16,016)	(99)
Investment properties written off	1,478	78	-	-	230	78
Impairment loss/write-off of trade and other receivables	439	665	15	27	454	692
Share of results of associate (net of tax)	(7)	27	-	-	(7)	27
Share of results of joint venture (net of tax)	-	(3,918)	-	-	-	(3,918)
Operating income before working capital changes	326,116	258,392	57,800	60,833	372,520	306,674
Changes in working capital:						
Inventories	(71)	66	(181)	(27)	(252)	39
Trade and other receivables	(57,669)	(32,402)	8,878	(4,092)	(28,730)	(6,871)
Trade and other payables	(12,816)	14,848	21,528	28,800	(11,346)	14,025
Cash generated from operations	255,560	240,904	88,025	85,514	332,192	313,867
Income tax paid	(30,498)	(30,412)	(1,039)	(1,134)	(31,537)	(31,546)
Net cash generated from operating activities	225,062	210,492	86,986	84,380	300,655	282,321
Balance carried forward	225,062	210,492	86,986	84,380	300,655	282,321

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2023

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance brought forward		225,062	210,492	86,986	84,380	300,655	282,321
Cash flows from investing activities							
Acquisition of investment properties	38	(238,136)	(261,470)	-	-	(238,136)	(261,470)
Acquisition of property, plant and equipment	38	-	-	(72,193)	-	(72,193)	-
Advance (to)/from related corporations		(38,956)	(41,783)	38,956	41,783	-	-
Deferred income received		8,500	-	-	-	8,500	-
Capital expenditure on investment properties		(16,434)	(10,349)	(511)	(507)	(16,945)	(10,856)
Capital expenditure on investment properties under development		(38,657)	(25,183)	-	-	(38,657)	(25,183)
Deposit paid for acquisition of investment properties		-	(10,058)	-	-	-	(10,058)
Loan to joint venture		-	(6,866)	-	-	-	(6,866)
Proceeds from disposal of assets held for sale		62,950	-	-	-	62,950	-
Refund of purchase consideration to buyer for disposal of subsidiary in prior year		-	(128)	-	-	-	(128)
Proceeds from disposal of strata units		300	530	-	-	300	530
Interest received		3,175	1,130	1,193	198	4,308	1,328
Deposit received for divestment of investment properties		998	-	-	-	998	-
Proceeds from sale of property, plant and equipment		23	11	-	-	23	11
Purchase of property, plant and equipment		(23,395)	(10,847)	(10,899)	(1,640)	(34,294)	(12,487)
Settlement of hedging instruments		24,925	-	1,545	16,355	26,470	16,355
Net cash (used in)/generated from investing activities		(254,707)	(365,013)	(41,909)	56,189	(296,676)	(308,824)
Balance carried forward		(29,645)	(154,521)	45,077	140,569	3,979	(26,503)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2023

	CapitalLand Ascott REIT Group		CapitalLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward	(29,645)	(154,521)	45,077	140,569	3,979	(26,503)
Cash flows from financing activities						
Distributions to Stapled Securityholders	(161,366)	(139,955)	(36,845)	(28,715)	(198,211)	(168,670)
Distributions to perpetual securities holders	(13,495)	(13,495)	-	-	(13,495)	(13,495)
Dividends paid to non-controlling interests	(3,234)	(1,888)	(167)	(61)	(3,286)	(1,929)
Proceeds from issue of Stapled Securities	165,861	170,000	137,192	-	303,053	170,000
Payment of issue expenses on issuance of Stapled Securities	(2,340)	(2,293)	(2,095)	-	(4,435)	(2,293)
Proceeds from borrowings and issuance of notes	704,147	1,554,606	51,270	92,243	755,417	1,646,849
Repayment of borrowings and notes	(499,073)	(1,319,220)	(175,468)	(161,770)	(674,541)	(1,480,990)
Payment of transaction costs on borrowings and notes	(2,966)	(7,842)	(557)	(231)	(3,523)	(8,073)
Payment of lease liabilities	(9,000)	(7,897)	(4,890)	(4,989)	(9,000)	(7,897)
Interest paid	(73,847)	(55,966)	(12,970)	(14,101)	(80,369)	(62,525)
Change in restricted cash deposits	(6,084)	(18)	(1,040)	212	(7,124)	194
Net cash generated from/(used in) financing activities	98,603	176,032	(45,570)	(117,412)	64,486	71,171
Net increase/(decrease) in cash and cash equivalents	68,958	21,511	(493)	23,157	68,465	44,668
Cash and cash equivalents at 1 January	298,862	300,792	62,303	42,877	361,165	343,669
Effect of exchange rate changes on balances held in foreign currency	(4,922)	(23,441)	(1,495)	(3,731)	(6,417)	(27,172)
Cash and cash equivalents at 31 December	362,898	298,862	60,315	62,303	423,213	361,165

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2023

Significant non-cash transactions

CapitaLand Ascott REIT Group

During the year, the CapitaLand Ascott REIT Group has the following significant non-cash transactions:

- A total of 22,134,460 (2022: 18,634,723) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees amounting to \$22,340,000 (2022: \$19,481,000) in respect of the year ended 31 December 2023.
- The CapitaLand Ascott REIT Group incurred capital expenditure on investment properties of \$20,577,000 (2022: \$12,925,000), of which \$4,143,000 (2022: \$2,576,000) was unpaid and included in trade and other payables. The \$2,576,000 unpaid as at 31 December 2022 was settled via acquisition fees in Stapled Securities to the REIT Manager during the year.
- The CapitaLand Ascott REIT Group incurred capital expenditure on investment properties under development of \$42,343,000 (2022: \$25,217,000), of which \$9,907,000 (2022: \$6,221,000) was unpaid and included in trade and other payables.

CapitaLand Ascott BT Group

During the year, the CapitaLand Ascott BT Group has the following significant non-cash transactions:

- A total of 2,350,563 (2022: 2,169,590) Stapled Securities were issued or will be issued as payment of the BT Trustee-Manager's management fees amounting to \$2,329,000 (2022: \$2,276,000) in respect of the year ended 31 December 2023.
- The CapitaLand Ascott BT Group acquired property, plant and equipment with an aggregate cost of \$11,925,000 (2022: \$1,640,000) of which \$1,026,000 (2022: \$Nil) was unpaid and included in trade and other payables.

Stapled Group

During the year, the Stapled Group has the following significant non-cash transactions:

- A total of 22,134,460 (2022: 18,634,723) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees amounting to \$22,340,000 (2022: \$19,481,000) in respect of the year ended 31 December 2023.
- A total of 2,350,563 (2022: 2,169,590) Stapled Securities were issued or will be issued as payment of the BT Trustee-Manager's management fees amounting to \$2,329,000 (2022: \$2,276,000) in respect of the year ended 31 December 2023.
- The Stapled Group incurred capital expenditure on investment properties of \$21,088,000 (2022: \$13,432,000), of which \$4,143,000 (2022: \$2,576,000) was unpaid and included in trade and other payables. The \$2,576,000 unpaid as at 31 December 2022 was settled via acquisition fees in Stapled Securities to the REIT Manager during the year.
- The Stapled Group incurred capital expenditure on investment properties under development of \$42,343,000 (2022: \$25,217,000), of which \$9,907,000 (2022: \$6,221,000) was unpaid and included in trade and other payables.
- The Stapled Group acquired property, plant and equipment with an aggregate cost of \$35,320,000 (2022: \$12,487,000) of which \$1,026,000 (2022: \$Nil) was unpaid and included in trade and other payables.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the REIT Manager, the BT Trustee-Manager and the REIT Trustee on 8 March 2024.

1 GENERAL

CapitaLand Ascott Trust is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group") and CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group") (collectively, the "Stapled Group").

CapitaLand Ascott REIT is a Singapore-domiciled unit trust constituted pursuant to the CapitaLand Ascott REIT trust deed dated 19 January 2006 (as amended) (the "CapitaLand Ascott REIT Trust Deed") between CapitaLand Ascott Trust Management Limited (the "REIT Manager") and DBS Trustee Limited (the "REIT Trustee"). The CapitaLand Ascott REIT Trust Deed is governed by the laws of the Republic of Singapore. The REIT Trustee is under a duty to take into custody and hold the assets of CapitaLand Ascott REIT held by it or through its subsidiaries in trust for the holders of units in CapitaLand Ascott REIT.

CapitaLand Ascott BT is a business trust constituted by a trust deed dated 9 September 2019 (as amended) (the "CapitaLand Ascott BT Trust Deed") and is managed by CapitaLand Ascott Business Trust Management Pte. Ltd. (the "BT Trustee-Manager").

A stapling deed dated 9 September 2019 and First Supplemental Stapling Deed dated 27 September 2022 was entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager (the "Stapling Deed").

On 31 December 2019, the units in each of CapitaLand Ascott REIT and CapitaLand Ascott BT are stapled together and cannot be traded separately. Each stapled security in CapitaLand Ascott Trust (the "Stapled Security") comprises a unit in CapitaLand Ascott REIT (the "CapitaLand Ascott REIT Unit") and a unit in CapitaLand Ascott BT (the "CapitaLand Ascott BT Unit").

The principal activities of the significant subsidiaries of the Stapled Group are those relating to investment in real estate and real estate related assets which are income-producing, and which are used or predominantly used, as serviced residences, hotels, rental housing properties, student accommodation properties and other hospitality assets in any country in the world.

For financial reporting purposes, the intermediate and ultimate holding companies of the Stapled Group are CapitaLand Investment Limited and Temasek Holdings (Private) Limited. The intermediate and ultimate holding companies are incorporated in the Republic of Singapore.

The consolidated financial statements of the CapitaLand Ascott REIT Group relate to CapitaLand Ascott REIT, its subsidiaries and its interests in its associate. The consolidated financial statements of the CapitaLand Ascott BT Group relate to CapitaLand Ascott BT and its subsidiaries. The consolidated financial statements of the Stapled Group relate to the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1 GENERAL (continued)

1.1 Service agreements

Several service agreements are in place in relation to the management of CapitaLand Ascott REIT and CapitaLand Ascott BT and their property operations. The fee structures of these services are as follows:

(i) REIT Trustee's fees

Pursuant to Clause 16.2 of the CapitaLand Ascott REIT Trust Deed, the REIT Trustee's fee shall not exceed 0.1% per annum of the value of the assets of the CapitaLand Ascott REIT Group (the "CapitaLand Ascott REIT Deposited Property"), subject to a minimum of \$10,000 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott REIT. The REIT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the CapitaLand Ascott REIT Trust Deed. The REIT Trustee's fees are payable monthly in arrears.

(ii) REIT Manager's fees

Management fees

The REIT Manager is entitled under Clauses 15.1.1 and 15.1.2 of the CapitaLand Ascott REIT Trust Deed to the following management fees:

- (a) a base fee of 0.3% per annum of the property values; and
- (b) an annual performance fee of:
 - base performance fee of 4.0% per annum of the CapitaLand Ascott REIT Group's share of gross profit for each financial year; and
 - in the event that the CapitaLand Ascott REIT Group's share of gross profit increases by more than 6.0% annually, an additional outperformance fee of 1.0% of the difference between the CapitaLand Ascott REIT Group's share of that financial year's gross profit and 106% of the CapitaLand Ascott REIT Group's share of the preceding year's gross profit.

The base management fees payable in cash and in the form of Stapled Securities shall be payable quarterly in arrears. Performance fees shall be payable once a year, after the end of the financial year.

When management fees are payable in Stapled Securities, the REIT Manager shall be entitled to receive such number of Stapled Securities as may be purchased for the relevant amount of the management fees at the market price (as defined in the CapitaLand Ascott REIT Trust Deed).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1 GENERAL (continued)

1.1 Service agreements (continued)

(ii) REIT Manager's fees (continued)

Acquisition fee

Pursuant to Clause 15.2.1 of the CapitaLand Ascott REIT Trust Deed, the REIT Manager is entitled to receive the following acquisition fees:

- (a) an acquisition fee of 1.0% of the enterprise value ("Enterprise Value") of any real estate or real estate related asset acquired directly or indirectly by CapitaLand Ascott REIT, prorated if applicable to the proportion of CapitaLand Ascott REIT's interest; and
- (b) in the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the CapitaLand Ascott REIT Deposited Property, provided that the REIT Manager shall charge an acquisition fee of 0.5% instead of 1.0%.

Where assets acquired by CapitaLand Ascott REIT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), Enterprise Value shall mean the sum of the equity value and the total debt attributable to the shares being acquired by CapitaLand Ascott REIT and where the asset acquired by the CapitaLand Ascott REIT is a property, Enterprise Value shall mean the value of the property.

The REIT Manager may opt to receive such acquisition fee in the form of cash or Stapled Securities or a combination of cash and Stapled Securities as it may determine.

In the event that the REIT Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott REIT at the market price.

Divestment fee

The REIT Manager is entitled under Clause 15.2.1 of the CapitaLand Ascott REIT Trust Deed to receive a divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset disposed directly or indirectly by CapitaLand Ascott REIT, prorated if applicable to the proportion of CapitaLand Ascott REIT's interest.

The divestment fee is payable to the REIT Manager in the form of cash. In the event that the REIT Manager receives a divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott REIT at the market price.

(iii) BT Trustee-Manager's fees

Trustee fee

Pursuant to Clause 14.4.2 of the CapitaLand Ascott BT Trust Deed, the BT Trustee-Manager's fee shall not exceed 0.015% per annum of the value of the assets of the CapitaLand Ascott BT Group (the "CapitaLand Ascott BT Deposited Property"), subject to a minimum of \$13,500 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott BT. The BT Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the CapitaLand Ascott BT Trust Deed. The BT Trustee-Manager's fees are payable monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1 GENERAL (continued)

1.1 Service agreements (continued)

(iii) BT Trustee-Manager's fees (continued)

Management fees

The BT Trustee-Manager is entitled under Clauses 14.1.1 and 14.1.2 of the CapitaLand Ascott BT Trust Deed to the following management fees:

- (a) a base fee of 0.3% per annum of the property values; and
- (b) an annual performance fee of:
 - base performance fee of 4.0% per annum of the CapitaLand Ascott BT Group's share of gross profit for each financial year; and
 - in the event that the CapitaLand Ascott BT Group's share of gross profit increases by more than 6.0% annually, an additional outperformance fee of 1.0% of the difference between the CapitaLand Ascott BT Group's share of that financial year's gross profit and 106% of the CapitaLand Ascott BT Group's share of the preceding year's gross profit.

The base management fees and performance fees payable in cash and in the form of Stapled Securities shall be payable quarterly in arrears.

When management fees are payable in Stapled Securities, the BT Trustee-Manager shall be entitled to receive such number of Stapled Securities as may be purchased for the relevant amount of the management fees at the market price (as defined in the CapitaLand Ascott BT Trust Deed).

Acquisition fee

Pursuant to Clause 14.2.1 of the CapitaLand Ascott BT Trust Deed, the BT Trustee-Manager is entitled to receive the following acquisition fees:

- (a) an acquisition fee of 1.0% of the Enterprise Value of any real estate or real estate related asset acquired directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of CapitaLand Ascott BT's interest; and
- (b) in the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the CapitaLand Ascott BT Deposited Property, provided that the BT Trustee-Manager shall charge an acquisition fee of 0.5% instead of 1.0%.

Where assets acquired by CapitaLand Ascott BT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), Enterprise Value shall mean the sum of the equity value and the total debt attributable to the shares being acquired by CapitaLand Ascott BT and where the asset acquired by CapitaLand Ascott BT is a property, Enterprise Value shall mean the value of the property.

The BT Trustee-Manager may opt to receive such acquisition fee in the form of cash or Stapled Securities or a combination of cash and Stapled Securities as it may determine.

In the event that the BT Trustee-Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott BT at the market price.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1 GENERAL (continued)

1.1 Service agreements (continued)

(iii) BT Trustee-Manager's fees (continued)

Divestment fee

The BT Trustee-Manager is entitled under Clause 14.2.1 of the CapitaLand Ascott BT Trust Deed to receive a divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset disposed directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of the CapitaLand Ascott BT's interest.

The divestment fee is payable to the BT Trustee-Manager in the form of cash. In the event that the BT Trustee-Manager receives a divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott BT at the market price.

(iv) Fees under serviced residence management agreements

The serviced residence management fee for each property is agreed between the Stapled Group and the relevant serviced residence management company as follows:

- (a) for management contracts, each property is charged management fees of between 1.0% and 3.0% per annum of the total revenue of each property and up to 11.0% per annum of gross operating profit of each property; and
- (b) for management contracts with minimum guaranteed income, each property is charged management fees of:
 - 1.5% to 3.0% per annum of the total revenue of each property; and
 - up to 9.0% per annum of gross operating profit of each property and up to 13.0% per annum of adjusted gross operating profit of each property.

For one of the properties, if the adjusted gross operating profit exceeds the hurdle (as defined in the management agreement), the operator will be entitled to share 50% of such profits exceeding the hurdle. The total profit share is subject to a cap for ten years after the completion of the renovation works.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the CapitaLand Ascott REIT Group and the Stapled Group have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the CapitaLand Ascott REIT Trust Deed and the Stapling Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRSs").

The financial statements of the CapitaLand Ascott BT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), the applicable requirements of the Business Trusts Act 2004 and the provisions of the CapitaLand Ascott BT Trust Deed. The adoption of new accounting standards and amendments are described in Note 2.5.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the functional currency of CapitaLand Ascott REIT and CapitaLand Ascott BT. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3.3 and 4 – classification of investment properties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4, 5 and 6 – determination of fair value of investment properties, land and buildings, and investment properties under development

Measurement of fair values

A number of the Stapled Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have an established control framework with respect to the measurement of fair values. Significant fair value measurements, including Level 3 fair values, will be reported directly to the Chief Executive Officer ("CEO") of the Managers.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as valuation of investment property by external property valuers, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRSs/SFRS(I)s, including the level in the fair value hierarchy in which such valuations should be classified.

The valuation of significant assets and their financial impact are discussed by the ARC and Board of Directors of the Managers.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

When measuring the fair value of an asset or a liability, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 33 – financial instruments.

2.5 Adoption of new accounting standards and amendments

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have applied the following FRSs or SFRS(I)s, amendments to and interpretations of FRSs/SFRS(I)s for the first time for the annual period beginning on 1 January 2023:

- SFRS(I) 17/FRS 117: *Insurance Contracts*
- Amendments to SFRS(I) 1-12/FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I)1-12/FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1/FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I)1-8/FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Global minimum top-up tax

The Stapled Group has adopted Amendments to SFRS(I) 1- 12/FRS 12: *International Tax Reform - Pillar Two Model Rules* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by OECD, and required new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Stapled Group operates and no related deferred tax was recognised as that date, the retrospective application has no impact on the Stapled Group's consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 BASIS OF PREPARATION (continued)

2.5 Adoption of new accounting standards and amendments (continued)

Material accounting policy information

The Stapled Group adopted Amendments to SFRS(I) 1-1/FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied by the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group consistently to all periods presented in these financial statements, except as explained in Note 2.5 which addresses changes in material accounting policies.

In addition, the Stapled Group adopted the Amendments to SFRS(I) 1-1/FRS 1 and FRS Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 3 in certain instances (see Note 2.5 for further information).

3.1 Basis of consolidation

(i) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

(ii) Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Stapled Group. In determining whether a particular set of activities and assets is a business, the Stapled Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Stapled Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Stapled Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(ii) Business combinations (continued)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRS/SFRS(I)s. If the business combination is achieved in stages, the Stapled Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Stapled Group incurs in connection with a business combination are expensed as incurred.

(iii) Property acquisition and business combination

Where a property is acquired, via corporate acquisitions or otherwise, the Managers consider whether the acquisition represents an acquisition of a business or an acquisition of an asset. The Stapled Group accounts for an acquisition as business combination when an integrated set of activities is acquired, in addition to the property.

In determining whether an integrated set of activities is acquired, the Managers consider whether significant processes are acquired (e.g. strategic management and serviced residence operations, etc.). Where significant processes are acquired, the acquisition is considered an acquisition of business.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(iv) Subsidiaries

Subsidiaries are entities controlled by the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group. The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group control an entity when they are exposed to, or have rights to, variable returns from their involvement with the entity and have the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the interests of the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(iv) Subsidiaries (continued)

Upon the loss of control of a subsidiary, the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group derecognise the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group retain any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the CapitaLand Ascott REIT Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Items included in the financial statements of each entity in the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group, and the Stapled Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

Transactions in foreign currencies are translated to the respective functional currencies of the Stapled Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in the Statement of Total Return, except for differences arising from the translation of monetary items that in substance form part of the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's net investment in a foreign operation, financial liabilities designated as hedges of net investment in a foreign operation (see Note 3.6(vi)) or qualifying cash flow hedges, to the extent such hedges are effective, which are recognised in Stapled Securityholders' funds.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments, arising on acquisitions are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates at the dates of the transactions. Fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

(ii) Foreign operations (continued)

Foreign currency differences are recognised in other comprehensive income ("OCI") or Stapled Securityholders' funds, and presented in the foreign currency translation reserve. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is transferred to total return as part of the profit or loss on disposal. When the disposal is only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group dispose of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to Statement of Total Return.

(iii) Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in Stapled Securityholders' funds and are presented in the foreign currency translation reserve.

3.3 Investment properties and investment properties under development

Investment properties comprise serviced residences, hotels, rental housing properties, student accommodation properties and other hospitality assets which are held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Stapled Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the total return. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined in accordance with the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- at least once in each period of 12 months following the acquisition of each parcel of real estate property; and
- for acquisition and disposal of real estate property as required by the CIS Code issued by MAS.

Any increase or decrease on revaluation is credited or charged to the Statement of Total Return as a net change in fair value of the investment properties and investment properties under development.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between the net disposal proceeds and the carrying amount of the property.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 Investment properties and investment properties under development (continued)

Properties are classified either as investment properties or property, plant and equipment in the Statement of Financial Position. In assessing whether a property is classified as an investment property or property, plant and equipment, the Stapled Group takes into consideration several factors including, but not limited to, the business model, the extent of ancillary services provided, the power that the Stapled Group has to make significant operating and financing decisions regarding the operations of the property and the significance of its exposure to variations in the net cash flows of the property. The factors above are considered collectively, together with the facts and circumstances of each lease, in determining the classification of a property.

3.4 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Stapled Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Subsequent to recognition, land and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses while other plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Any surplus arising on the revaluation is recognised in OCI or Stapled Securityholders' funds (as the case may be), except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognised in the Statement of Total Return, in which case the credit to that extent is recognised in the Statement of Total Return. Any deficit on revaluation is recognised in the Statement of Total Return except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognised in OCI or Stapled Securityholders' funds (as the case may be).

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Total Return.

(ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Stapled Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the Statement of Total Return on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Land and buildings	-	30 to 83 years
Plant and machinery	-	2 to 15 years
Renovation	-	8 to 12 years
Motor vehicles	-	5 to 8 years
Office equipment, computers and furniture	-	2 to 10 years

Freehold land and assets under construction are stated at cost and are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Intangible assets

Goodwill

For business combinations, the Stapled Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in the total return. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment as described in Note 3.7.

3.6 Financial instruments

(i) Non-derivative financial assets

Classification and measurement

The Stapled Group classifies their financial assets as financial assets at amortised cost.

The classification depends on the Stapled Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Stapled Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Stapled Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Stapled Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Total Return.

At subsequent measurement

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the Statement of Cash Flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Stapled Group's cash management are included as a component of cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(iii) Non-derivative financial liabilities

The Stapled Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss ("FVTPL")) are recognised initially on the trade date, which is the date that the Stapled Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as FVTPL if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in total return as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in total return.

The Stapled Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprised loans and borrowings, and trade and other payables (excluding advance rental and liability for employee benefits).

(iv) Derecognition

Financial assets are derecognised if the Stapled Group's contractual rights to the cash flows from the financial assets expire or if the Stapled Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Stapled Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Stapled Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Derivative financial instruments and hedge accounting

The Stapled Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through total return. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Stapled Group designates each hedge as either: (a) cash flow hedge; or (b) net investment hedge.

On initial designation of the derivative as the hedging instrument, the Stapled Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Stapled Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported total return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

The Stapled Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve in Stapled Securityholders' funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised in the hedging reserve is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Stapled Securityholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Statement of Total Return in the same period or periods as the hedged expected future cash flows affect total return.

Net investment hedge

The Stapled Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in the foreign currency translation reserve in Stapled Securityholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the Statement of Total Return. The amount recognised in the foreign currency translation reserve is reclassified to the Statement of Total Return on disposal of the foreign operation.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the Statement of Total Return.

Sustainability-linked notes

The Stapled Group issued notes with contractual cash flows based on the Stapled Group meeting several sustainability performance targets. The Stapled Group has determined that the variability in cash flows linked to the Stapled Group's sustainability performance target is a non-financial variable specific to the party to the contract and therefore in accordance to the accounting policy of the Stapled Group, the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest rate of the notes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vii) Stapled Securityholders' funds

Stapled Securityholders' funds represent the Stapled Securityholders' residual interest in the net assets of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group upon termination and is classified as equity. Incremental costs directly attributable to the issue of Stapled Securities are recognised as a deduction from Stapled Securityholders' funds.

(viii) Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of CapitaLand Ascott REIT. As CapitaLand Ascott REIT does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as Stapled Securityholders' funds.

Any distributions made are directly debited from Stapled Securityholders' funds. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.7 Impairment

(i) Financial assets

The Stapled Group assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost and financial guarantee contracts. For trade receivables, the Stapled Group applies the simplified approach permitted by FRS 109/ SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Stapled Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Stapled Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Stapled Group on terms that the Stapled Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Stapled Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Stapled Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Stapled Group's non-financial assets, other than investment properties, investment properties under development and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the Statement of Total Return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable FRSs/SFRS(I)s. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell except for investment properties and land and buildings which are remeasured with reference to fair value or agreed sale proceeds.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Stapled Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Stapled Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Stapled Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Stapled Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Stapled Group by the end of the lease term or the cost of the right-of-use assets reflects that the Stapled Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3.3.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Stapled Group's estimate of the amount expected to be payable under a residual value guarantee, if the Stapled Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

(ii) As a lessor

To classify each lease, the Stapled Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Stapled Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Stapled Group leases out its investment property, including own property and right-of-use assets. The Stapled Group has classified these leases as operating leases.

The Stapled Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of 'gross revenue'.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 Revenue

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) Hotel revenue

Revenue from hotel operations is recognised when the accommodation and related services are rendered.

(iii) Hospitality income

Hospitality income from operations is recognised on an accrual basis, upon rendering of the relevant services. Hospitality income includes fees from usage of the business centres and laundry facilities, recoveries from guests for utilities and telephone charges, income earned from the sales of food and beverages, service and maintenance fees, recoveries of property taxes and maintenance costs from tenants and fees for managing public areas as well as other miscellaneous income.

(iv) Car park income

For car parks which are leased to an external operator, car park income is recognised on a straight-line basis over the term of the lease. For other car parks, car park income is recognised on an accrual basis.

3.12 Expenses

(i) Direct expenses

Direct expenses consist of serviced residence management fees, property taxes, staff costs and other property outgoings where such expenses are the responsibility of the Stapled Group.

(ii) Trustee's fees

The REIT Trustee's fee and BT Trustee-Manager's trustee fee are recognised on an accrual basis using the applicable formula as stipulated in Note 1.1(i) and Note 1.1(iii) respectively.

(iii) REIT Manager's management fees

REIT Manager's management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(ii).

(iv) BT Trustee-Manager's management fees

BT Trustee-Manager's management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(iii).

(v) Serviced residence management fees

The serviced residence management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(iv).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.13 Finance income and finance costs

Finance income comprises interest income and is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings, and amortisation of loans and borrowings related costs. Finance costs are recognised in the Statement of Total Return using the effective interest method.

3.14 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Total Return except to the extent that it relates to a business combination, or items recognised directly in Stapled Securityholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Stapled Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Stapled Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore (the "IRAS") has issued a tax ruling on the income tax treatment of CapitaLand Ascott REIT. Subject to compliance with the terms and conditions of the tax ruling, CapitaLand Ascott REIT is not subject to tax on the taxable income of CapitaLand Ascott REIT. Instead, the distributions made by CapitaLand Ascott REIT out of such taxable income are distributed free of tax deducted at source to individual Stapled Securityholders and qualifying Stapled Securityholders. Qualifying Stapled Securityholders are companies incorporated and tax resident in Singapore, Singapore branches of foreign companies that have obtained waiver from the IRAS from tax deducted at source in respect of the distributions from CapitaLand Ascott REIT, and bodies of persons registered or constituted in Singapore. This treatment is known as the tax transparency treatment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.14 Income tax (continued)

The REIT Trustee will deduct tax at the reduced rate of 10% from distributions made out of CapitaLand Ascott REIT's taxable income that is not taxed at CapitaLand Ascott REIT's level to beneficial Stapled Securityholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and does not have a permanent establishment in Singapore. Where the non-individual investor carries on any operation in Singapore through a permanent establishment in Singapore, the funds used by that person to acquire the Stapled Securities cannot be obtained from that operation to qualify for the reduced tax rate.

For other types of Stapled Securityholders, the REIT Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by CapitaLand Ascott REIT. Such Stapled Securityholders are subject to tax on the regressed amounts of the distributions received but may claim a credit for the tax deducted at source by the REIT Trustee.

CapitaLand Ascott REIT will distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains, and net overseas income.

Net overseas income refers to the net profits (excluding any gains from the sale of property or shares, as the case may be) after applicable taxes and adjustment for non-cash items such as depreciation, derived by CapitaLand Ascott REIT from its properties located outside Singapore.

Distributions for the Stapled Group are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, the REIT Manager and the BT Trustee-Manager are required to pay distributions declared within 60 days of the end of each distribution period. Distributions, when paid, will be in Singapore Dollars.

3.15 Earnings per Stapled Security

The Stapled Group presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Securityholders by the weighted average number of Stapled Securities outstanding during the year. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Securityholders and the weighted average number of Stapled Securities outstanding, adjusted for the effects of all dilutive potential Stapled Securities.

3.16 Segment reporting

An operating segment is a component of the Stapled Group that engages in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Stapled Group's other components. All operating segments' operating results are reviewed regularly by the REIT Manager's and the BT Trustee-Manager's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance costs, trust expenses and income tax expense.

Segment capital expenditure is the total costs incurred on investment properties, property, plant and equipment and investment properties under development during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.17 New accounting standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have not early adopted the new or amended standards and interpretations in preparing these financial statements.

- i Amendments to SFRS(I) 1/FRS 1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in Note 17, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have secured bank loan and notes that are subject to specific covenants. While both liabilities are classified as non-current at 31 December 2023, a future breach of the related covenants may require the Stapled Group to repay the liabilities earlier than the contractual maturity dates. The Stapled Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

- ii. Other accounting standards

The following amendments to FRSs/SFRS(I)s are not expected to have a significant impact on the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group's consolidated financial statements:

- Amendments to SFRS(I) 1-7/FRS 7 and SFRS(I) 7/FRS 107: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16/FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21/FRS 21: *Lack of Exchangeability*

4 INVESTMENT PROPERTIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January	6,075,974	5,882,709	447,974	515,117	6,103,633	6,297,854
Acquisition of investment properties (Note 38)	476,999	344,623	-	-	476,999	344,623
Capital expenditure	20,577	12,925	511	507	21,088	13,432
Net change in fair value of investment properties	105,343	58,751	1,746	(4,534)	97,070	42,254
Investment properties written off	(1,478)	(78)	-	-	(230)	(78)
Transfer to assets held for sale (Note 15)	(250,507)	-	-	-	(250,507)	-
Transfer (to)/from property, plant and equipment (Note 5)	(51)	111	-	-	(51)	(321,864)
Transfer from investment properties under development (Note 6)	162,223	125,908	-	-	162,223	125,908
Lease modification	7,635	-	-	-	7,635	-
Translation differences	(98,533)	(348,975)	(25,241)	(63,116)	(116,843)	(398,496)
At 31 December	6,498,182	6,075,974	424,990	447,974	6,501,017	6,103,633

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4 INVESTMENT PROPERTIES (continued)

Certain investment properties of the Stapled Group with an aggregate carrying value of \$2,370,464,000 (2022: \$2,678,052,000) are pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 17).

The master lease for Park Hotel Clarke Quay (currently known as The Robertson House by The Crest Collection) was terminated and the Stapled Group took possession of the property in August 2021. It was operated by Ascott International Management Pte Ltd under a short-term management agreement.

From 1 October 2022, the property is leased by CapitaLand Ascott REIT's subsidiary to CapitaLand Ascott BT's subsidiary under a master lease arrangement. CapitaLand Ascott BT's subsidiary has separately entered into a hotel management agreement with Ascott International Management Pte Ltd for the management of the property as well as the rebranding and renovation of the property. The hotel management agreement is effective from 1 October 2022 and will continue for a period of 20 years from completion of rebranding and renovation.

Upon the signing of the hotel management agreement, the property is classified as property, plant and equipment instead of investment property in the Stapled Group's financial statements as it will be operated as a full facility hotel and the proportion of ancillary income is deemed significant.

The Stapled Group assessed the classification of its investment properties as investment properties or property, plant and equipment based on its business model, taking into consideration the quantum of other income derived from ancillary services rendered relative to total revenue and employment of external property managers to operate the investment properties, amongst other factors.

The investment properties of CapitaLand Ascott BT Group included a right-of-use asset relating to the operating lease for Sotetsu Grand Fresa Tokyo-Bay Ariake ("Ariake Hotel") on adoption of FRS 116/SFRS(I) 16. Ascendas Ariake Godo Kaisha ("AAGK"), a subsidiary of CapitaLand Ascott BT, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kaisha, a subsidiary of CapitaLand Ascott REIT. FRS 116/SFRS(I) 16 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Stapled Group as the intra-group transaction is eliminated upon consolidation.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties is determined by external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair value measurement for the investment properties have been categorised as level 3 fair values based on inputs to the valuation techniques used. The following table reconciles the net carrying value of the investment properties to the fair value.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value of investment properties	6,498,182	6,075,974	424,990	447,974	6,501,017	6,103,633
Less: Carrying amount of lease liabilities	(263,965)	(267,014)	(69,567)	(81,388)	(263,965)	(267,014)
Fair value of investment properties	6,234,217	5,808,960	355,423	366,586	6,237,052	5,836,619

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4 INVESTMENT PROPERTIES (continued)

Valuation technique

The Stapled Group's investment property portfolio is valued by external property valuers annually. External valuations are also carried out on occurrence of acquisitions. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The valuers have adopted the income capitalisation approach and considered valuation techniques including the discounted cash flow and direct capitalisation methods (2022: discounted cash flow and direct capitalisation methods) in arriving at the fair value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and revenue per available unit.

The valuation of the Stapled Group's investment property portfolio is discussed with the ARC and Board of Directors in accordance with the Stapled Group's reporting policies.

Significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flow method:</i> The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	Stapled Group - Discount rate: - South East Asia and Australia: 5.81% – 10.26% (2022: 5.00% – 10.64%) - North Asia: 3.20% – 8.00% (2022: 3.30% – 6.00%) - Europe and United Kingdom: 5.88% – 9.02% (2022: 5.90% – 8.50%) - United States of America: 7.50% – 8.50% (2022: 8.00% – 8.75%)	The estimated fair value would increase (decrease) if: - the discount rate were lower (higher); or - the terminal capitalisation rate were lower (higher).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4 INVESTMENT PROPERTIES (continued)

Significant unobservable inputs (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
	Stapled Group - Terminal capitalisation rate: South East Asia and Australia: 3.75% – 7.50% (2022: 3.50% – 9.00%) - North Asia: 3.60% – 6.25% (2022: 3.60% – 5.25%) - Europe and United Kingdom: 4.25% – 7.50% (2022: 3.25% – 7.75%) - United States of America: 5.75% – 6.50% (2022: 6.00% – 6.25%)	
<i>Direct capitalisation method:</i> The valuation method considers the net present value of the expected future operating income of the property and dividing them by the capitalisation rate. This method is applied to the student accommodation properties which have relatively stable operating histories and expectations.	Stapled Group Capitalisation rate: United States of America: 5.50% – 6.00% (2022: 4.50% – 5.50%)	The estimated fair value would increase (decrease) if the capitalisation rate were lower (higher).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's investment properties are discount rate, terminal capitalisation rate and capitalisation rate. Significant decreases in the discount rate, terminal capitalisation rate and capitalisation rate in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5 PROPERTY, PLANT AND EQUIPMENT

CapitaLand Ascott REIT Group	Renovation \$'000	Motor vehicles \$'000	Office equipment, computers and furniture \$'000	Assets under construction \$'000	Total \$'000
Cost					
At 1 January 2022	11,068	594	109,572	1,548	122,782
Additions	165	-	9,262	1,420	10,847
Disposals/written off	-	-	(2,341)	-	(2,341)
Acquisition of investment properties (Note 38)	-	-	1,617	-	1,617
Transfer to investment properties (Note 4)	-	-	(111)	-	(111)
Reclassifications	(127)	-	1,788	(1,661)	-
Translation differences	(874)	(42)	(6,601)	(66)	(7,583)
At 31 December 2022	10,232	552	113,186	1,241	125,211
At 1 January 2023	10,232	552	113,186	1,241	125,211
Additions	290	70	9,393	13,642	23,395
Disposals/written off	(1)	(30)	(1,375)	-	(1,406)
Acquisition of investment properties (Note 38)	-	-	1,234	-	1,234
Transfer from investment properties (Note 4)	-	-	51	-	51
Transfer to assets held for sale (Note 15)	-	-	(3,069)	-	(3,069)
Reclassifications	-	-	(91)	91	-
Translation differences	(49)	(19)	(671)	36	(703)
At 31 December 2023	10,472	573	118,658	15,010	144,713
Accumulated depreciation					
At 1 January 2022	7,101	489	78,003	-	85,593
Charge for the year	726	42	11,746	-	12,514
Disposals/written off	-	-	(1,985)	-	(1,985)
Reclassifications	(1)	-	1	-	-
Translation differences	(642)	(35)	(5,796)	-	(6,473)
At 31 December 2022	7,184	496	81,969	-	89,649
At 1 January 2023	7,184	496	81,969	-	89,649
Charge for the year	757	39	11,229	-	12,025
Disposals/written off	(1)	(27)	(1,290)	-	(1,318)
Transfer to assets held for sale (Note 15)	-	-	(2,694)	-	(2,694)
Reclassifications	1	-	(1)	-	-
Translation differences	(28)	(18)	(251)	-	(297)
At 31 December 2023	7,913	490	88,962	-	97,365
Carrying amounts					
At 1 January 2022	3,967	105	31,569	1,548	37,189
At 31 December 2022	3,048	56	31,217	1,241	35,562
At 31 December 2023	2,559	83	29,696	15,010	47,348

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5 PROPERTY, PLANT AND EQUIPMENT (continued)

CapitaLand Ascott BT Group	At Valuation	At Cost			Total \$'000
	Land and buildings \$'000	Plant and machinery \$'000	Office equipment, computers and furniture \$'000	Assets under construction \$'000	
At valuation/cost					
At 1 January 2022	541,981	42,186	18,359	1,224	603,750
Additions	1,075	226	92	247	1,640
Net change in revaluation recognised in Statement of Total Return	5,393	-	-	-	5,393
Net change in revaluation recognised in Stapled Securityholders' funds	54,088	-	-	-	54,088
Reclassifications	1,318	-	33	(1,351)	-
Translation differences	(55,914)	(3,877)	(1,690)	(113)	(61,594)
Elimination of accumulated depreciation on revaluation	(11,316)	-	-	-	(11,316)
At 31 December 2022	536,625	38,535	16,794	7	591,961
At 1 January 2023	536,625	38,535	16,794	7	591,961
Additions	10,706	832	143	244	11,925
Net change in revaluation recognised in Stapled Securityholders' funds	35,234	-	-	-	35,234
Acquisition of hotel (Note 38)	101,567	-	731	-	102,298
Transfer to assets held for sale (Note 15)	(101,369)	(7,843)	(2,472)	(251)	(111,935)
Translation differences	82	(31)	(10)	-	41
Elimination of accumulated depreciation on revaluation	(5,154)	-	-	-	(5,154)
At 31 December 2023	577,691	31,493	15,186	-	624,370
Accumulated depreciation					
At 1 January 2022	-	10,395	5,777	-	16,172
Charge for the year	14,760	4,557	2,763	-	22,080
Translation differences	(3,444)	(1,225)	(695)	-	(5,364)
Elimination of accumulated depreciation on revaluation	(11,316)	-	-	-	(11,316)
At 31 December 2022	-	13,727	7,845	-	21,572
At 1 January 2023	-	13,727	7,845	-	21,572
Charge for the year	15,977	3,927	2,252	-	22,156
Transfer to assets held for sale (Note 15)	(10,895)	(3,583)	(1,829)	-	(16,307)
Translation differences	72	16	10	-	98
Elimination of accumulated depreciation on revaluation	(5,154)	-	-	-	(5,154)
At 31 December 2023	-	14,087	8,278	-	22,365
Carrying amounts					
At 1 January 2022	541,981	31,791	12,582	1,224	587,578
At 31 December 2022	536,625	24,808	8,949	7	570,389
At 31 December 2023	577,691	17,406	6,908	-	602,005

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	At Valuation		At Cost				
	Land and buildings \$'000	Plant and machinery \$'000	Renovation \$'000	Motor vehicles \$'000	Office equipment, computers and furniture \$'000	Assets under construction \$'000	Total \$'000
Stapled Group							
At valuation/cost							
At 1 January 2022	541,981	42,186	11,068	594	127,931	2,772	726,532
Additions	1,075	226	165	-	9,354	1,667	12,487
Disposals/written off	-	-	-	-	(2,341)	-	(2,341)
Net change in revaluation recognised in Statement of Total Return	5,393	-	-	-	-	-	5,393
Net change in revaluation recognised in Stapled Securityholders' funds	72,219	-	-	-	-	-	72,219
Reclassifications	1,318	-	(127)	-	1,821	(3,012)	-
Acquisition of investment properties (Note 38)	-	-	-	-	1,617	-	1,617
Transfer from/(to) investment properties (Note 4)	321,975	-	-	-	(111)	-	321,864
Translation differences	(55,914)	(3,877)	(874)	(42)	(8,291)	(179)	(69,177)
Elimination of accumulated depreciation on revaluation	(12,495)	-	-	-	-	-	(12,495)
At 31 December 2022	875,552	38,535	10,232	552	129,980	1,248	1,056,099
At 1 January 2023	875,552	38,535	10,232	552	129,980	1,248	1,056,099
Additions	10,706	832	290	70	9,536	13,886	35,320
Disposals/written off	(1,248)	-	(1)	(30)	(1,375)	-	(2,654)
Net change in revaluation recognised in Stapled Securityholders' funds	54,859	-	-	-	-	-	54,859
Reclassifications	-	-	-	-	(91)	91	-
Acquisition of investment properties (Note 38)	-	-	-	-	1,234	-	1,234
Acquisition of hotel (Note 38)	101,567	-	-	-	731	-	102,298
Transfer from investment properties (Note 4)	-	-	-	-	51	-	51
Transfer to assets held for sale (Note 15)	(101,369)	(7,843)	-	-	(5,541)	(251)	(115,004)
Translation differences	82	(31)	(49)	(19)	(683)	36	(664)
Elimination of accumulated depreciation on revaluation	(9,870)	-	-	-	-	-	(9,870)
At 31 December 2023	930,279	31,493	10,472	573	133,842	15,010	1,121,669

Year ended 31 December 2023

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5 PROPERTY, PLANT AND EQUIPMENT (continued)

For each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Carrying amount at cost	508,623	508,198	823,455	828,994

As at 31 December 2023, land and buildings are revalued to their fair values. The fair value of the land and buildings is determined by external property valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued.

Fair value hierarchy

The fair value measurement for the land and buildings have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Valuation technique and significant unobservable inputs

Land and buildings are stated at fair value based on valuation performed by external property valuers. The fair values were derived based on the discounted cash flow method (2022: discounted cash flow method). In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of land and buildings include market-corroborated discount rate, terminal capitalisation rate and revenue per available unit.

The valuation of the Stapled Group's land and buildings is discussed with the ARC and Board of Directors in accordance with the Stapled Group's reporting policies.

NOTES TO THE FINANCIAL STATEMENTS

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5 PROPERTY, PLANT AND EQUIPMENT (continued)

The following table shows the significant unobservable inputs used in the valuation models:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flow method</i>	Stapled Group - Discount rate: Australia: 7.50% - 9.00% (2022: 7.50% - 8.60%) - Terminal capitalisation rate: Australia: 5.75% - 7.00% (2022: 5.25% - 6.25%) - Discount rate: Singapore: 5.82% (2022: 5.00%) - Terminal capitalisation rate: Singapore: 3.75% (2022: 3.50%) - Discount rate: Ireland: 8.70% (2022: Nil) - Terminal capitalisation rate: Ireland: 6.00% (2022: Nil)	The estimated fair value would increase (decrease) if: - the discount rate were lower (higher); or - the terminal capitalisation rate were lower (higher).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's land and buildings are discount rate and terminal capitalisation rate. Significant decreases in the discount rate and terminal capitalisation rate in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

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Year ended 31 December 2023

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	CapitalLand Ascott REIT Group and Stapled Group	
	2023	2022
	\$'000	\$'000
At 1 January	385,707	302,863
Acquisition of investment properties under development (Note 38)	-	103,735
Development costs and interest capitalised ⁽¹⁾	42,343	25,217
Transfer to investment properties (Note 4)	(162,223)	(125,908)
Net change in fair value of investment properties under development	4,075	80,082
Translation differences	(1,902)	(282)
At 31 December	268,000	385,707

(1) Capitalised costs included \$160,000 (31 December 2022: \$1,640,000) paid/payable to related corporations and borrowing costs of \$4,402,000 (31 December 2022: \$68,000).

As at 31 December 2022, Standard at Columbia, with a carrying value of \$128,707,000 is pledged as security to the bank (Note 17). Standard at Columbia was transferred to investment properties after it obtained its Temporary Certificate of Occupancy on 30 June 2023.

Somerset Liang Court Property Singapore, with a gross floor area of about 13,000 square metres, is currently under development into a serviced residence with hotel licence. The Stapled Group owns a 100% interest in the property. Site works commenced in mid-July 2021 and foundation piling works were completed in 2022. Substructure works are ongoing and targeted to be completed in 2024. The property is on track to be completed in the second half of 2025.

Fair value hierarchy

The fair value of investment properties under development is determined by external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The fair value measurement for the investment properties under development have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

Valuation technique and significant unobservable inputs

Investment properties under development is stated at fair value based on valuation performed by external property valuers. In determining the fair value, the valuers have adopted the residual land value method. The key assumptions used to determine the fair value of investment properties under development include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and gross development costs.

The valuation of the Stapled Group's investment property under development portfolio is discussed with the ARC and Board of Directors in accordance with the Stapled Group's reporting policies.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT (continued)

The following table shows the significant unobservable inputs used in the valuation models:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Under the residual land value method, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of the valuation.	Stapled Group - Discount rates: Singapore 5.57% (2022: 4.80%) - Terminal capitalisation rates: Singapore 3.50% (2022: 3.25%) - Gross development costs: Singapore \$143,730,000 (2022: \$134,167,000) - Capitalisation rates: United States of America Nil (2022: 4.75%) - Gross development costs: United States of America Nil (2022: \$131,281,000)	The estimated fair value would increase (decrease) if: - the discount rates were lower (higher); - the terminal capitalisation rates were lower (higher); or - the gross development costs decrease (increase).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's investment properties under development are discount rate, terminal capitalisation rate, capitalisation rate and gross development costs. Significant decreases in the discount rate, terminal capitalisation rate, capitalisation rate and gross development costs in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

7 INVESTMENT SECURITIES

CapitaLand Ascott REIT Group holds 1% interest in Ascendas Hospitality Australia Investment Fund No. 1 ("AHAIF1"). The CapitaLand Ascott REIT Group's ownership in AHAIF1 enables AHAIF1 to meet the Australian corporate law requirement for a Managed Investment Scheme and certain requirements to qualify as a Managed Investment Trust under the Australian tax law. AHAIF1 owns 100% equity interest in Ascendas Australia Hotel Trust, which owns the hotel properties in Australia. Investments in unquoted investment securities are measured at fair value with change in fair value recognised in the Statement of Total Return.

As at 31 December 2023, the fair value of the CapitaLand Ascott REIT Group's 1% interest in AHAIF1 is \$2,454,000 (2022: \$2,416,000). The effective interest held by the Stapled Group is 100%. Upon consolidation, the investment securities will be adjusted against the non-controlling interests of the CapitaLand Ascott BT Group.

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8 GOODWILL

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Goodwill arising from business combination	60,866	60,866	79,233	79,233	140,099	140,099
Less: Impairment loss	(60,866)	(60,866)	(79,233)	(79,233)	(140,099)	(140,099)
	-	-	-	-	-	-

For the purposes of impairment testing, goodwill has been allocated to the CGUs as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A-HREIT Group	60,866	60,866	-	-	60,866	60,866
A-HBT Group	-	-	79,233	79,233	79,233	79,233
	60,866	60,866	79,233	79,233	140,099	140,099

In 2019, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group assessed the carrying amount of the CGUs (inclusive of goodwill allocated) for indicators of impairment. The recoverable amount of each CGU is determined based on their respective fair value less costs to sell, which is estimated to approximate the fair value of net assets of Ascendas Hospitality Real Estate Investment Trust ("A-HREIT") and its subsidiaries (the "A-HREIT Group") and Ascendas Hospitality Business Trust ("A-HBT") and its subsidiaries (the "A-HBT Group") acquired on 31 December 2019. Based on the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's assessment, the carrying amounts of the CGUs (inclusive of goodwill allocated) were determined to be higher than its recoverable amount, and impairment loss of \$60,866,000, \$79,233,000 and \$140,099,000 (2022: \$60,866,000, \$79,233,000 and \$140,099,000) were recognised respectively.

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9 SUBSIDIARIES

The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group have equity investments in subsidiaries.

Details of the significant subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group	
		2023 %	2022 %
Held by CapitaLand Ascott REIT			
Ascott REIT MTN Pte. Ltd.	Singapore	100	100
Ascott REIT MTN (Euro) Pte. Ltd.	Singapore	100	100
Ascendas Hospitality Real Estate Investment Trust	Singapore	100	100
Held through CapitaLand Ascott REIT subsidiaries			
Ascendas Hospitality MTN Pte. Ltd.	Singapore	100	100
Ascott REIT Cannon Hill Trust ^(a)	Australia	100	100
Ascott REIT Seven Campbelltown Trust ^(a)	Australia	100	100
Ascott REIT Eight Mascot Trust ^(a)	Australia	100	100
Ascott REIT Nine SOP Trust ^(a)	Australia	100	100
Ascott REIT Fourteen MP Unit Trust ^(a)	Australia	100	100
Citadines Melbourne on Bourke Unit Trust ^(a)	Australia	100	100
Citadines St Georges Terrace (Perth) Unit Trust ^(a)	Australia	100	100
Citadines Connect Sydney Airport Unit Trust ^(a)	Australia	100	100
Somerset Heping (Shenyang) Property Co., Ltd. ^(a)	China	100	100
Suzhou Chong Rui Xin Shi Ji Real Estate Co., Ltd. ^(a)	China	100	100
Tianjin Consco Property Development Co., Ltd. ^(a)	China	100	100
Wangze (Dalian) Enterprise Co., Limited ^(a)	China	100	100
Wuhan Citadines Property Development Co., Ltd. ^(a)	China	100	100
Ascott Kleber SNC ^(a)	France	100	100
Orville SAS ^(a)	France	100	100
Citadines Munich Arnulfpark GmbH & Co. KG ^(b)	Germany	100	100
Citadines Europaviertel (Frankfurt) GmbH & Co., KG ^(b)	Germany	93	93
Citadines Hamburg Michel GmbH & Co., KG ^(b)	Germany	93	93
PT Bumi Perkasa Andhika ^(a)	Indonesia	100	100
PT Ciputra Liang Court ^(a)	Indonesia	57	57
PT Menara Aspen Persada ^{(a), (c)}	Indonesia	100	-
ARC-CapitaLand Three TMK ^(a)	Japan	100	100
ARC-CapitaLand Four TMK ^(a)	Japan	100	100
Ascendas Hospitality Honmachi Tokutei Mokuteki Kaisha ^(a)	Japan	100	100
Ascendas Hospitality Tokutei Mokuteki Kaisha ^(a)	Japan	100	100
Citadines Central Shinjuku TMK ^(a)	Japan	100	100
Citadines Kyoto Gojo TMK ^(a)	Japan	100	100
Citadines Shinjuku TMK ^(a)	Japan	100	100
Crystal Residence TMK ^(a)	Japan	100	100
Infini Garden TMK ^(a)	Japan	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

9 SUBSIDIARIES (continued)

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group	
		2023 %	2022 %
Held through CapitaLand Ascott REIT subsidiaries (continued)			
Sapphire Residence TMK ^(a)	Japan	100	100
Somerset Roppongi TMK ^(a)	Japan	100	100
Ascott REIT (Jersey) Limited ^(b)	United Kingdom/ Jersey	100	100
The Cavendish Hotel (London) Limited ^{(a), (c)}	United Kingdom	100	-
Somerset Ampang (Malaysia) Sdn. Bhd. ^(a)	Malaysia	100	100
Ascott Baumwall (Hamburg) BV ^(b)	Netherlands	100	100
Ascott Hospitality Holdings Philippines, Inc ^(a)	Philippines	100	100
Ascott Makati, Inc ^(a)	Philippines	100	100
SQ Resources, Inc ^(a)	Philippines	63	63
SN Resources, Inc ^(a)	Philippines	97	97
Barrydale SM LLC ^(b)	United States of America	100	100
SM Ascott LLC ^(b)	United States of America	100	100
Tribeca Ascott LLC ^(b)	United States of America	100	100
Columbia Student Property Owner, LLC ^(b)	United States of America	90	90
GT Student SM LLC ^(b)	United States of America	100	100
Kent ST SM LLC ^(b)	United States of America	100	100
NCST LP ^(b)	United States of America	100	100
PHL UC SM LLC ^(b)	United States of America	100	100
TTU Student SM LLC ^(b)	United States of America	100	100
UIUC 707 Student SM LLC ^(b)	United States of America	100	100
UNCW LP ^(b)	United States of America	100	100
Hanoi Tower Center Company Limited ^(a)	Vietnam	76	76
Mekong-Hacota Joint Venture Company Limited ^(a)	Vietnam	58	59
Saigon Office and Serviced Apartment Company Limited ^(a)	Vietnam	67	67
Somerset Hoa Binh Joint Venture Company Limited ^(a)	Vietnam	90	90
Somerset Central TD Company Limited ^(a)	Vietnam	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

9 SUBSIDIARIES (continued)

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group	
		2023 %	2022 %
Held through CapitaLand Ascott BT			
Ascendas Hospitality Business Trust	Singapore	100	100
Held through CapitaLand Ascott BT subsidiaries			
Ascendas Australia Hotel Trust ^(a)	Australia	100	100
Ascendas Hospitality Australia Investment Fund No.1 ^(b)	Australia	100	100
Ascendas Hospitality Australia Investment Fund No.2 ^(b)	Australia	100	100
Ascendas Hospitality Operations Pty Ltd ^(a)	Australia	100	100
Ascendas Hotel Investment Company Pty Limited ^(a)	Australia	100	100
TUC T Bar Hotel (Dublin) Limited ^{(b), (c)}	Ireland	100	-
Ascendas Japan Namba Tokutei Mokuteki Kaisha ^(a)	Japan	100	100
CapitaLand Korea Hospitality No.6 Qualified Private Real Estate Investment LLC ^(b)	South Korea	99	99
CapitaLand Korea Hospitality Qualified Private Real Estate Investment Trust No.7 ^(b)	South Korea	99	99

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

- (a) Audited by other member firms of KPMG International.
- (b) Not required to be audited by laws of country of incorporation.
- (c) The subsidiaries were incorporated/acquired during the year.

10 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI") and operate investment properties.

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2023 %	2022 %
Held by CapitaLand Ascott REIT			
PT Ciputra Liang Court	Indonesia	42.6	42.6
Columbia Student Venture LLC Group	United States of America	10.0	10.0
Hanoi Tower Center Company Limited	Vietnam	24.0	24.0
Mekong-Hacota Joint Venture Company Limited	Vietnam	41.3	40.5
Saigon Office and Serviced Apartment Company Limited	Vietnam	33.0	33.0
Somerset Hoa Binh Joint Venture Company Limited	Vietnam	10.0	10.0

The CapitaLand Ascott REIT Group's interests in its subsidiaries in Vietnam are held under the terms of joint venture arrangements with unrelated third parties. Under the terms of these joint venture arrangements, the net profits of each of the subsidiaries in Vietnam, upon fulfilment of certain statutory financial obligations and the payment of other amounts due, are to be distributed to the shareholders of these subsidiaries in certain proportions during different periods in accordance with the terms of the relevant joint venture arrangements and/or the applicable investment license under which these subsidiaries operate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10 NON-CONTROLLING INTERESTS (continued)

Under the investment license of Hanoi Tower Center Company Limited, Burton Engineering Pte Ltd is entitled to 76%, 70% and 50% of the distributed profits for each year during the first 25 years, the following ten years and the subsequent ten years, respectively, from the commencement of operations of Hanoi Tower Center Company Limited. From 9 February 2018, profits attributable to NCI of Hanoi Tower Center Company Limited increased from 24% to 30%.

Under the investment license of Saigon Office and Serviced Apartment Company Limited, East Australia Trading Company (S) Pte Ltd is entitled to 67%, 60% and 40% of the distributed profits for each year prior to the repayment of its capital bank loan, after the repayment of its capital bank loan and after 31 years from the commencement of operations of Saigon Office and Serviced Apartment Company Limited respectively. From 28 February 2022, profits attributable to NCI of Saigon Office and Serviced Apartment Company Limited increased from 33% to 40%.

The following summarises the financial information of each of the CapitaLand Ascott REIT Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRSs/SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

CapitaLand Ascott REIT Group	PT Ciputra Liang Court \$'000	Columbia Student Venture LLC Group \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
2023								
Revenue	5,315	4,997	14,024	7,598	8,133	3,704		
Profit/(Loss)	2,061	(7,101)	(4,212)	(709)	(1,153)	(4,342)		
Attributable to NCI:								
– Profit/(Loss)	877	(710)	(1,264)	(287)	(461)	(434)	674	(1,605)
Non-current assets	39,731	157,344	69,291	32,077	40,618	25,779		
Current assets	3,700	2,242	3,399	2,290	4,570	2,456		
Non-current liabilities	(892)	(7,499)	(1,300)	–	–	–		
Current liabilities	(1,871)	(89,701)	(2,758)	(984)	(2,177)	(10,319)		
Net assets	40,668	62,386	68,632	33,383	43,011	17,916		
Net assets attributable to NCI	17,313	6,239	16,472	13,794	14,194	1,792	6,145	75,949
Cash flows from/(used in) operating activities	913	(2,681)	7,173	3,132	3,670	1,216		
Cash flows from/(used in) investing activities	119	(36,616)	(590)	(236)	(462)	(153)		
Cash flows from/(used in) financing activities	–	40,827	(5,879)	(1,859)	(2,102)	–		
Net increase in cash and cash equivalents	1,032	1,530	704	1,037	1,106	1,063		
Dividends paid to NCI	–	–	(1,764)	(523)	(843)	–		

NOTES TO THE FINANCIAL STATEMENTS

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10 NON-CONTROLLING INTERESTS (continued)

CapitalLand Ascott REIT Group	PT Ciputra Liang Court \$'000	Columbia Student Venture LLC Group \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
2022								
Revenue	5,490	-	11,108	6,509	7,123	2,584		
Profit/(Loss)	1,963	13,226	(747)	883	1,465	(2,889)		
Attributable to NCI:								
- Profit/(Loss)	836	1,323	(224)	350	579	(289)	268	2,843
Non-current assets	39,065	128,167	85,721	36,423	46,456	30,856		
Current assets	3,098	1,030	2,778	1,308	3,483	1,448		
Non-current liabilities	(882)	(45,089)	(3,503)	-	-	-		
Current liabilities	(2,262)	(13,547)	(2,457)	(1,751)	(2,240)	(9,717)		
Net assets	39,019	70,561	82,539	35,980	47,699	22,587		
Net assets attributable to NCI	16,611	7,056	19,809	14,558	15,741	2,259	5,412	81,446
Cash flows from operating activities	1,024	98	6,353	3,118	3,834	645		
Cash flows from/(used in) investing activities	27	(5,901)	(100)	(52)	41	(111)		
Cash flows from/(used in) financing activities	-	5,901	(5,125)	(2,608)	(8,055)	(336)		
Net increase/ (decrease) in cash and cash equivalents	1,051	98	1,128	458	(4,180)	198		
Dividends paid to NCI	-	-	(947)	(139)	(706)	-		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10 NON-CONTROLLING INTERESTS (continued)

The NCI of the CapitalLand Ascott BT Group is immaterial as at 31 December 2023 and 2022, and therefore, the financial information is not presented.

The following summarises the financial information of each of the Stapled Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRSs/SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

Stapled Group	PT Ciputra Liang Court \$'000	Columbia Student Venture LLC Group \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
2023								
Revenue	5,315	4,997	14,024	7,598	8,133	3,704		
Profit/(Loss)	2,061	(7,101)	(4,212)	(709)	(1,153)	(4,342)		
Attributable to NCI:								
- Profit/(Loss)	877	(710)	(1,264)	(287)	(461)	(434)	805	(1,474)
Non-current assets	39,731	157,344	69,291	32,077	40,618	25,779		
Current assets	3,700	2,242	3,399	2,290	4,570	2,456		
Non-current liabilities	(892)	(7,499)	(1,300)	-	-	-		
Current liabilities	(1,871)	(89,701)	(2,758)	(984)	(2,177)	(10,319)		
Net assets	40,668	62,386	68,632	33,383	43,011	17,916		
Net assets attributable to NCI	17,313	6,239	16,472	13,794	14,194	1,792	7,839	77,643
Cash flows from/(used in) operating activities	913	(2,681)	7,173	3,132	3,670	1,216		
Cash flows from/(used in) investing activities	119	(36,616)	(590)	(236)	(462)	(153)		
Cash flows from/(used in) financing activities	-	40,827	(5,879)	(1,859)	(2,102)	-		
Net increase in cash and cash equivalents	1,032	1,530	704	1,037	1,106	1,063		
Dividends paid to NCI	-	-	(1,764)	(523)	(843)	-		

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10 NON-CONTROLLING INTERESTS (continued)

	PT Ciputra Liang Court \$'000	Columbia Student Venture LLC Group \$'000	Hanoi Tower Center Company Limited \$'000	Mekong- Hacota Joint Venture Company Limited \$'000	Saigon Office and Serviced Apartment Company Limited \$'000	Somerset Hoa Binh Joint Venture Company Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
Stapled Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022								
Revenue	5,490	-	11,108	6,509	7,123	2,584		
Profit/(Loss)	1,963	13,226	(747)	883	1,465	(2,889)		
Attributable to NCI:								
- Profit/(Loss)	836	1,323	(224)	350	579	(289)	340	2,915
Non-current assets	39,065	128,167	85,721	36,423	46,456	30,856		
Current assets	3,098	1,030	2,778	1,308	3,483	1,448		
Non-current liabilities	(882)	(45,089)	(3,503)	-	-	-		
Current liabilities	(2,262)	(13,547)	(2,457)	(1,751)	(2,240)	(9,717)		
Net assets	39,019	70,561	82,539	35,980	47,699	22,587		
Net assets attributable to NCI	16,611	7,056	19,809	14,558	15,741	2,259	7,027	83,061
Cash flows from operating activities	1,024	98	6,353	3,118	3,834	645		
Cash flows from/(used in) investing activities	27	(5,901)	(100)	(52)	41	(111)		
Cash flows from/(used in) financing activities	-	5,901	(5,125)	(2,608)	(8,055)	(336)		
Net increase/(decrease) in cash and cash equivalents	1,051	98	1,128	458	(4,180)	198		
Dividends paid to NCI	-	-	(947)	(139)	(706)	-		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

11 ASSOCIATE

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	\$'000	\$'000
Unquoted equity shares, at cost	-*	-*
Less: Share of associate post-acquisition revenue reserve	(543)	(550)
	(543)	(550)
Loan receivable	3,781	3,838
Less: Allowance for impairment loss	(253)	(253)
	<u>2,985</u>	<u>3,035</u>

* Less than \$1,000

The loan to associate is unsecured, interest-free and repayable on demand with a notice period of twelve months. The loan to associate is not expected to be recalled in the next twelve months.

Movement in allowance for impairment loss is as follows:

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	\$'000	\$'000
At 1 January and 31 December	<u>253</u>	<u>253</u>

During the year, there was no additional allowance for impairment loss arising from the loan receivable as the ECL is not material. The recoverable amount for the loan to associate was estimated based on the higher of the value in use calculation using cash flow projection and the fair value of the net assets of associate at the reporting date. The fair value measurement was estimated based on net assets of the associate with maturity of less than one year.

Details of the associate are as follows:

Company name	East Australia Trading Company Limited
Nature of relationship with the CapitaLand Ascott REIT Group	Investment holding company held by the CapitaLand Ascott REIT Group
Country of incorporation	Hong Kong
Ownership interest/Voting rights held	40% (2022: 40%)

The associate is immaterial to the CapitaLand Ascott REIT Group and the Stapled Group. A member firm of KPMG International is the auditor of the associate. In 2023 and 2022, the CapitaLand Ascott REIT Group did not receive any dividends from the associate.

The following table summarises the financial information for the interest in the associate, based on the amounts reported in the CapitaLand Ascott REIT Group's and the Stapled Group's Statement of Total Return:

	2023	2022
	\$'000	\$'000
Profit/(loss) after taxation	<u>7</u>	<u>(27)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

12 FINANCIAL DERIVATIVES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial derivative assets						
Non-current						
Interest rate swaps	21,684	30,933	-	-	21,684	30,933
Cross currency interest rate swaps	62,969	39,009	209	-	63,178	39,009
	84,653	69,942	209	-	84,862	69,942
Current						
Interest rate swaps	1,376	1,001	-	3,024	1,376	4,025
Currency forwards	69	-	-	-	69	-
Cross currency interest rate swaps	5,861	20,462	-	-	5,861	20,462
	7,306	21,463	-	3,024	7,306	24,487
Financial derivative liabilities						
Non-current						
Interest rate swaps	(5,923)	-	(566)	-	(6,489)	-
Cross currency interest rate swaps	(1,177)	(6,939)	-	-	(1,177)	(6,939)
	(7,100)	(6,939)	(566)	-	(7,666)	(6,939)
Current						
Interest rate swaps	-	(5)	-	-	-	(5)
Cross currency interest rate swaps	-	-	-	(810)	-	(810)
	-	(5)	-	(810)	-	(815)

At the reporting date, the notional principal amounts of the financial instruments were as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate swaps	799,304	456,560	32,813	130,906	832,117	587,466
Cross currency interest rate swaps	776,964	745,039	34,302	34,817	811,266	779,856
Currency forwards	7,019	-	-	-	7,019	-
	1,583,287	1,201,599	67,115	165,723	1,650,402	1,367,322

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13 DEFERRED TAX

Movements in deferred tax assets and liabilities are as follows:

CapitalLand Ascott REIT Group	At 1 January 2022 \$'000	At 31 December 2022 \$'000	Translation differences \$'000	Restated	Credited/ (Charged) to Statement of Total Return (Note 30) \$'000	At 31 December 2022 \$'000	Restated	Translation differences \$'000	Acquisition of subsidiary \$'000	Translation differences \$'000	At 31 December 2023 \$'000
Deferred tax assets											
Unutilised capital allowances	38	379	(23)		2	394		12	-	408	
Unutilised tax losses	2,936	3,668	(366)		233	6,238		186	-	6,657	
Provisions and accruals	99	20	(12)		31	107		-	-	138	
Unrealised foreign exchange loss - trade	98	4,173	(272)		(647)	3,999		40	-	3,392	
Lease liabilities	86,415	(2,917)	689		(510)	84,187		(1,304)	678	83,051	
	89,586	5,323	16		(891)	94,925		(1,066)	678	93,646	
	(86,415)	2,917	(689)		510	(84,187)		1,304	(678)	(83,051)	
Set-off of tax	3,171	8,240	(673)		(381)	10,738		238	-	10,595	
Deferred tax liabilities											
Investment properties	(108,556)	(19,678)	8,306		(32,856)	(119,928)		252	-	(152,532)	
Property, plant and equipment	(1,478)	1,245	90		-	(143)		(4)	-	(147)	
Revaluation gain from business combinations	(1,288)	-	-		-	(1,288)		-	-	(1,288)	
Accrued income and interest receivable	(133)	71	(4)		28	(66)		3	-	(35)	
Right-of-use assets	(86,415)	2,917	(689)		510	(84,187)		1,304	(678)	(83,051)	
	(197,870)	(15,445)	7,703		(32,318)	(205,612)		1,555	(678)	(237,053)	
	86,415	(2,917)	689		(510)	84,187		(1,304)	678	83,051	
Set-off of tax	(111,455)	(18,362)	8,392		(32,828)	(121,425)		251	-	(154,002)	
Net deferred tax (liabilities)/assets	(108,284)	(10,122)	7,719		(33,209)	(110,687)		489	-	(143,407)	

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13 DEFERRED TAX (continued)

	At 1 January 2022 \$'000	Credited/ (Charged) to Statement of Total Return (Note 30) \$'000	Charged to Security- holders' funds \$'000	Translation 31 December differences \$'000	At 31 December 2022 \$'000	At 31 December 2023 \$'000	Translation 31 December differences \$'000	Acquisition of subsidiary differences \$'000	At 31 December 2023 \$'000
Stapled Group	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated
Deferred tax assets									
Deferred income	154	-	-	(14)	140	(139)	-	(1)	-
Unutilised capital allowances	248	379	-	(42)	585	(86)	-	11	510
Unutilised tax losses	2,936	3,668	-	(366)	6,238	233	-	186	6,657
Provisions and accruals	4,140	165	-	(392)	3,913	108	-	(2)	4,019
Unrealised foreign exchange loss - trade	98	4,173	-	(272)	3,999	(647)	-	40	3,392
Lease liabilities	91,414	(3,167)	-	9	88,256	(755)	-	(1,650)	86,529
	98,990	5,218	-	(1,077)	103,131	(1,286)	-	678	101,107
Set-off of tax	(91,414)	3,167	-	(9)	(88,256)	755	-	(678)	(86,529)
	7,576	8,385	-	(1,086)	14,875	(531)	-	234	14,578
Deferred tax liabilities									
Investment properties	(115,871)	(20,223)	-	9,335	(126,759)	(32,424)	-	802	(158,381)
Property, plant and equipment	(28,918)	654	(4,361)	3,161	(29,464)	-	(2,060)	4	(31,520)
Revaluation gain from business combinations	(4,068)	-	-	-	(4,068)	-	-	-	(4,068)
Unremitted earnings	(795)	268	-	1	(526)	(796)	-	1	(1,321)
Accrued income and interest receivable	(133)	71	-	(4)	(66)	28	-	3	(35)
Right-of-use assets	(91,414)	3,167	-	(9)	(88,256)	755	-	(678)	(86,529)
	(241,199)	(16,063)	(4,361)	12,484	(249,139)	(32,437)	(2,060)	2,460	(281,854)
Set-off of tax	91,414	(3,167)	-	9	88,256	(755)	-	678	86,529
	(149,785)	(19,230)	(4,361)	12,493	(160,883)	(33,192)	(2,060)	810	(195,325)
Net deferred tax (liabilities)/assets	(142,209)	(10,845)	(4,361)	11,407	(146,008)	(33,723)	(2,060)	1,044	(180,747)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13 DEFERRED TAX (continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the Statements of Financial Position as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	10,595	10,738	3,983	4,137	14,578	14,875
Deferred tax liabilities	(154,002)	(121,425)	(41,323)	(39,458)	(195,325)	(160,883)

As at 31 December 2023, deferred tax liabilities amounting to \$8,180,000 (2022: \$7,981,000) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group can utilise the benefits therefrom:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Tax losses	208,892	195,511	15,932	36,246	224,824	231,757
Deductible temporary differences	4,576	5,974	-	-	4,576	5,974
	213,468	201,485	15,932	36,246	229,400	237,731

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The deductible temporary differences do not expire under the current tax legislation.

Unrecognised tax losses brought forward of the Stapled Group amounting to \$3,495,000 (2022: \$7,345,000) expired during the year. In addition, \$46,511,000 (2022: \$20,900,000) of the losses brought forward were utilised to set off against current year's taxable profit. The remaining balance of \$181,751,000 (2022: \$200,197,000) and unrecognised tax losses arising during the year of \$43,073,000 (2022: \$31,560,000) have been carried forward. Tax losses that have been carried forward and are subject to expiration as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expiry dates						
- No expiry	166,833	148,733	15,932	36,246	182,765	184,979
- Within 1 to 5 years	24,983	25,124	-	-	24,983	25,124
- After 5 years	17,076	21,654	-	-	17,076	21,654
	208,892	195,511	15,932	36,246	224,824	231,757

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

14 TRADE AND OTHER RECEIVABLES

		CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables		41,422	36,168	7,933	7,416	49,355	43,584
Impairment loss	33	(7,913)	(7,297)	(110)	(118)	(8,023)	(7,415)
		33,509	28,871	7,823	7,298	41,332	36,169
Amounts due from related parties:							
- trade		16,580	29,971	1,203	2,231	15,035	26,193
- non-trade		70,397	47,144	797	2,118	2,243	3,857
- loan (interest-bearing)		5,127	2,257	-	-	-	-
Loans due from CapitaLand Ascott BT Group		143,373	107,287	-	-	-	-
Deposits		1,854	1,395	231	-	2,085	1,395
Deposit paid for acquisition of investment property		7,455	10,058	-	-	7,455	10,058
Other receivables		20,098	16,291	2,556	2,444	22,654	18,735
Impairment loss	33	(4)	(4)	-	-	(4)	(4)
		20,094	16,287	2,556	2,444	22,650	18,731
		298,389	243,270	12,610	14,091	90,800	96,403
Prepayments		17,652	14,071	1,104	1,713	18,756	15,784
		316,041	257,341	13,714	15,804	109,556	112,187

The non-trade amounts due from related parties mainly pertain to payments made on behalf of these entities. The non-trade amounts and loans due from related parties are unsecured, interest-free and repayable on demand except for an interest-bearing loan due from a related party at 5.41% (2022: 1.90%) per annum.

15 ASSETS HELD FOR SALE

		CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investment properties							
Somerset Grand Citra Jakarta	(a)	737	1,020	-	-	737	1,020
3 properties in Japan	(c)	86,862	-	-	-	86,862	-
Citadines Mount Sophia Property Singapore	(d)	124,000	-	-	-	124,000	-
		211,599	1,020	-	-	211,599	1,020
Property, plant and equipment							
2 properties in Australia	(e)	-	-	95,628	-	95,628	-
		211,599	1,020	95,628	-	307,227	1,020

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15 ASSETS HELD FOR SALE (continued)

- (a) In 2021, pursuant to the planned divestment of nine strata units in Somerset Grand Citra Jakarta (a serviced residence), the investment property pertaining to these nine units have been reclassified to assets held for sale.

During the year ended 31 December 2023, one strata unit (31 December 2022: two strata units) was divested. As at 31 December 2023, there are six remaining strata units. The Stapled Group owns a 100% interest in all six strata units, which have a combined gross floor area of about 490 square metres.

- (b) On 3 April 2023, the CapitaLand Ascott REIT Group entered into a sale and purchase agreement with Extendam, an unrelated third party, to divest four serviced residences in regional France for a total consideration of EUR44.4 million (\$64.7 million). The consideration of EUR44.4 million (\$64.7 million) is approximately 63% above the properties' carrying value as at 31 December 2022 which was appraised based on the discounted cash flow method. The four properties are Citadines Croisette Cannes, Citadines Prado Chanot Marseille, Citadines Castellane Marseille and Citadines City Centre Lille. Accordingly, they were reclassified from "investment properties". Divestment of the four serviced residences was completed on 22 September 2023.
- (c) On 16 December 2023, the CapitaLand Ascott REIT Group entered into a sale and purchase agreement with TMK 7C, an unrelated third party, to divest Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West for a total consideration of JPY10.7 billion (\$99.8 million). The Stapled Group owns a 100% interest in all three properties, which have gross floor areas of about 3,600 square metres, 3,100 square metres and 3,000 square metres respectively. The combined consideration of JPY10.7 billion (\$99.8 million) is approximately 14.9% above the properties' carrying value as at 31 December 2022 which was appraised based on the discounted cash flow method.
- (d) Pursuant to the planned divestment of Citadines Mount Sophia Property Singapore which was entered into and completed in the first quarter of 2024, the investment property and property, plant and equipment relating to Citadines Mount Sophia Property Singapore was reclassified to assets held for sale as at 31 December 2023.
- (e) On 3 November 2023, the CapitaLand Ascott BT Group entered into two sale and purchase agreements with Silversea Investment Pty Ltd and Oceanfront Capital Pty Ltd, unrelated third parties, to divest Courtyard by Marriott Sydney-North Ryde for the consideration of AUD55.2 million (\$48.4 million) and two sale and purchase agreements with Silversea Investment Pty Ltd and Silverworld Business Pty Ltd, unrelated third parties, to divest Novotel Sydney Parramatta for the consideration of AUD53.8 million (\$47.2 million). The combined consideration of AUD109.0 million (\$95.6 million) is approximately 4.9% above the properties' carrying value as at 27 October 2023 which was appraised based on the discounted cash flow method. The Stapled Group owns a 100% interest in Novotel Sydney Parramatta, which has a gross floor area of about 18,700 square metres.

Fair value hierarchy

On 31 December 2023, the Stapled Group's assets held for sale are valued based on independent valuation conducted by HVS using the discounted cash flow method, except for the two properties in Australia which were valued by Colliers using the discounted cash flow method.

The fair value measurement for assets held for sale for the Stapled Group have been categorised as level 3 fair values.

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Year ended 31 December 2023

15 ASSETS HELD FOR SALE (continued)

Reconciliation of Level 3 fair value

The following table presents the reconciliation of the assets held for sale from the beginning balances to the ending balances for Level 3 fair values.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	1,020	1,519	-	-	1,020	1,519
Disposal of assets held for sale	(40,059)	(431)	-	-	(40,059)	(431)
Transfer from investment properties (Note 4)	250,507	-	-	-	250,507	-
Transfer from property, plant and equipment (Note 5)	375	-	95,628	-	96,003	-
Net change in fair value recognised in Statement of Total Return	(13)	17	-	-	(13)	17
Translation difference	(231)	(85)	-	-	(231)	(85)
Balance at 31 December	211,599	1,020	95,628	-	307,227	1,020

16 CASH AND CASH EQUIVALENTS

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
Note	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	321,844	282,275	60,318	62,303	382,162	344,578
Fixed deposits with financial institutions	47,527	16,976	3,117	2,080	50,644	19,056
Cash and cash equivalents	369,371	299,251	63,435	64,383	432,806	363,634
Restricted cash (a)	(6,473)	(389)	(3,120)	(2,080)	(9,593)	(2,469)
Cash and cash equivalents in the Statements of Cash Flows	362,898	298,862	60,315	62,303	423,213	361,165

As at 31 December 2023, the interest rates per annum for cash and cash equivalent of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group ranged from 0.00% to 6.00% (2022: 0.00% to 8.20%), 0.00% to 3.42% (2022: 0.00% to 1.66%) and 0.00% to 6.00% (2022: 0.00% to 8.20%) respectively.

(a) The restricted cash comprise:

- bank balances of certain subsidiaries pledged as collateral for certain borrowings of \$6,476,000 (2022: \$389,000); and
- security deposit of \$3,117,000 (2022: \$2,080,000) from a tenant which can only be drawn down as rental payment upon tenant's default or refunded to tenant upon lease expiry.

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17 FINANCIAL LIABILITIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current liabilities						
Secured bank loans	879,165	1,029,575	51,626	983	930,791	1,030,558
Unsecured bank loans	722,565	543,069	48,517	82,424	771,082	625,493
Medium term notes	430,755	448,930	-	-	430,755	448,930
Sustainability-linked notes	353,371	367,899	-	-	353,371	367,899
	2,385,856	2,389,473	100,143	83,407	2,485,999	2,472,880
Current liabilities						
Secured bank loans	174,441	73,476	-	-	174,441	73,476
Unsecured bank loans	117,571	52,781	33,240	175,462	150,811	228,243
Medium term notes	237,110	99,987	-	-	237,110	99,987
	529,122	226,244	33,240	175,462	562,362	401,706
	2,914,978	2,615,717	133,383	258,869	3,048,361	2,874,586

The weighted average effective interest rates per annum relating to bank loans, medium term notes and sustainability-linked notes at the reporting date for the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group are 4.34% (2022: 3.33%), 5.29% (2022: 4.45%) and 4.38% (2022: 3.43%) respectively.

Included in the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's bank loans, medium term notes and sustainability-linked notes is an amount of \$11,384,000 (2022: \$12,332,000), \$683,000 (2022: \$372,000) and \$12,067,000 (2022: \$12,704,000) respectively, relating to unamortised transaction costs.

Secured bank loans

The CapitaLand Ascott REIT Group's secured bank loans are secured on certain investment properties (Note 4), pledge of shares of certain subsidiaries, pledge over certain bank deposits (Note 17), assignment of rental proceeds from the properties, assignment of insurance policies on the properties and corporate guarantee from CapitaLand Ascott REIT.

The CapitaLand Ascott BT Group's secured bank loan is secured on an investment property (Note 4) and a hotel (Note 5).

Medium term notes

On 9 September 2009, a subsidiary of the CapitaLand Ascott REIT Group, Ascott REIT MTN Pte. Ltd., launched a \$1.0 billion Multi-currency Medium Term Note Programme ("MTN Programme"). On 9 July 2020, the MTN Programme was amended to add the REIT Trustee and the BT Trustee-Manager as issuers and perpetual securities was added as a security which may be issued by the REIT Trustee and the BT Trustee-Manager ("Amended MTN Programme"). The Amended MTN Programme limit was increased to \$2.0 billion. Under this Amended MTN Programme, the Ascott REIT MTN Pte. Ltd., the REIT Trustee and BT Trustee-Manager may, subject to compliance with all relevant laws, regulations and directives, from time to time issue fixed or floating interest rate notes and perpetual securities with aggregate principal amounts of \$2.0 billion.

On 30 November 2011, a subsidiary of the CapitaLand Ascott REIT Group, Ascott REIT MTN (Euro) Pte. Ltd., established a US\$2.0 billion Euro-Medium Term Note Programme ("EMTN Programme"). Under this EMTN Programme, Ascott REIT MTN (Euro) Pte. Ltd. may, subject to any applicable legal or regulatory restrictions, from time to time issue fixed or floating interest rate notes in series or tranches in Euro, Sterling Pound, US Dollar, Singapore Dollar, Chinese Renminbi or any other currency agreed between Ascott REIT MTN (Euro) Pte. Ltd. and the relevant dealer of the programme.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

Medium term notes (continued)

On 15 October 2014, a subsidiary of the A-HREIT Group, Ascendas Hospitality MTN Pte. Ltd., and A-HBT (jointly known as "Issuers"), established a \$1.0 billion Multi-currency Stapled Medium Term Note Programme ("Stapled MTN Programme"). Under this Stapled MTN Programme, the Issuers may, subject to any applicable legal or regulatory restrictions, from time to time issue fixed or floating interest rate notes in series or tranches in Euro, Sterling Pound, US Dollar, Singapore Dollar, Chinese Renminbi or any other currency agreed between the Issuers and the relevant dealer of the programme.

Sustainability-linked notes

On 20 April 2022, the CapitaLand Ascott REIT Group issued \$200.0 million of sustainability-linked notes. Under the conditions of the notes, there is a sustainability performance target of having at least 50% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2025.

On 7 November 2022, the CapitaLand Ascott REIT Group issued JPY16.5 billion of sustainability-linked notes. Under the conditions of the notes, there are sustainability performance targets of (i) achieving a 40.5% reduction in electricity consumption as a proxy for Scope 1 and 2 Carbon Emissions Intensity from the base year of 2019 for the eligible projects and (ii) achieving EDGE Greenbuilding Certifications for the eligible projects by 31 December 2028.

Subject to the conditions stipulated in the sustainability-linked notes, if the Stapled Group fails to satisfy any of the performance targets on the respective observation dates, the issuer shall pay in respect of each note an amount equal to the interest premium of 0.25% on the nominal value of the notes.

Sustainability-linked cross currency swap

On 6 September 2023, the CapitaLand Ascott REIT Group issued \$120.0 million of fixed rate notes. At the same time, a cross currency swap was entered into to convert part of the Singapore dollar proceeds into Japanese Yen amounting to JPY11.0 billion at a fixed interest rate of 1.09% per annum. Under the conditions of the cross currency swap, there is sustainability performance target of having:

- (i) at least 50% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2025; and
- (ii) at least 60% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2026.

The Japanese Yen interest can be reduced slightly if the sustainability performance target is met by the respective sustainability performance target dates.

As at 31 December 2023, notes issued by the Stapled Group comprises:

- under the Amended MTN Programme:
 - (i) \$505.0 million (2022: \$385.0 million) of fixed rate notes maturing between 2024 and 2028;
 - (ii) \$200.0 million (2022: \$200.0 million) of fixed rate sustainability-linked notes maturing in 2027;
 - (iii) JPY5.0 billion (2022: JPY5.0 billion) of fixed rate notes maturing in 2025; and
 - (iv) JPY16.5 billion (2022: JPY16.5 billion) of fixed rate sustainability-linked notes maturing in 2029.
- under the EMTN Programme, EUR80.0 million (2022: EUR80.0 million) of fixed rate notes maturing in 2024.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
CapitaLand Ascott REIT Group					
2023					
Medium term notes	EUR	2.75	2024	117,188	117,123
Medium term notes	JPY	0.97	2025	46,650	46,645
Medium term notes	SGD	4.00 - 5.00	2024 - 2028	505,000	504,097
Secured fixed rate loans	JPY	0.25 - 1.39	2024 - 2029	413,160	410,010
Secured fixed rate loans	USD	2.70 - 2.90	2028	108,440	107,846
Secured floating rate loans	JPY	0.17 - 1.02	2024 - 2029	95,278	94,715
Secured floating rate loans	RMB	4.45 - 4.70	2026 - 2032	15,933	15,917
Secured floating rate loans	USD	7.18 - 8.16	2024 - 2032	426,441	425,118
Sustainability-linked notes	JPY	1.05	2029	153,945	153,812
Sustainability-linked notes	SGD	3.63	2027	200,000	199,559
Unsecured fixed rate loans	USD	1.00	2025	91	91
Unsecured floating rate loans	EUR	4.98 - 5.28	2024 - 2027	161,866	161,434
Unsecured floating rate loans	GBP	6.20 - 6.84	2024 - 2028	307,567	305,542
Unsecured floating rate loans	JPY	1.31	2024	10,263	10,246
Unsecured floating rate loans	SGD	4.65 - 5.28	2024 - 2028	152,454	151,974
Unsecured floating rate loans	USD	6.95 - 8.15	2026 - 2029	212,086	210,849
				<u>2,926,362</u>	<u>2,914,978</u>
2022					
Medium term notes	EUR	2.75	2024	113,472	113,339
Medium term notes	JPY	0.97	2025	51,100	51,092
Medium term notes	SGD	3.52 - 5.00	2023 - 2026	385,000	384,486
Secured fixed rate loans	JPY	0.25 - 1.39	2024 - 2029	398,958	395,852
Secured fixed rate loans	USD	2.70 - 2.90	2028	110,066	109,333
Secured floating rate loans	JPY	0.16 - 1.01	2024 - 2029	100,718	98,480
Secured floating rate loans	RMB	4.70 - 4.80	2026 - 2032	17,487	17,487
Secured floating rate loans	USD	2.30 - 6.99	2023 - 2032	483,341	481,339
Secured floating rate loans	VND	4.00 - 4.50	2023	560	560
Sustainability-linked notes	JPY	1.05	2029	168,630	168,474
Sustainability-linked notes	SGD	3.63	2027	200,000	199,425
Unsecured fixed rate loans	USD	1.00	2025	160	160
Unsecured floating rate loans	AUD	3.92 - 4.35	2024	46,391	46,279
Unsecured floating rate loans	EUR	1.69 - 3.92	2024	92,905	92,771
Unsecured floating rate loans	GBP	2.28 - 3.49	2024	35,137	35,052
Unsecured floating rate loans	JPY	0.58 - 1.30	2023 - 2024	63,364	63,273
Unsecured floating rate loans	SGD	3.97 - 5.86	2025 - 2026	137,270	136,369
Unsecured floating rate loans	USD	3.54 - 6.91	2026 - 2029	223,490	221,946
				<u>2,628,049</u>	<u>2,615,717</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
CapitaLand Ascott BT Group					
2023					
Secured fixed rate loans	JPY	1.39	2027	933	906
Secured floating rate loans	EUR	5.22	2028	51,270	50,720
Unsecured fixed rate loans	KRW	3.55	2024	33,248	33,240
Unsecured floating rate loans*	USD	6.63	2025	48,615	48,517
				<u>134,066</u>	<u>133,383</u>
2022					
Secured fixed rate loans	JPY	1.39	2027	1,022	983
Unsecured fixed rate loans	KRW	3.55	2024	33,280	33,236
Unsecured floating rate loans	AUD	4.56	2023	175,595	175,462
Unsecured floating rate loans*	USD	3.39	2025	49,344	49,188
				<u>259,241</u>	<u>258,869</u>
Stapled Group					
2023					
Medium term notes	EUR	2.75	2024	117,188	117,123
Medium term notes	JPY	0.97	2025	46,650	46,645
Medium term notes	SGD	4.00 – 5.00	2024 – 2028	505,000	504,097
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	414,093	410,916
Secured fixed rate loans	USD	2.70 – 2.90	2028	108,440	107,846
Secured floating rate loans	JPY	0.17 – 1.02	2024 – 2029	95,278	94,715
Secured floating rate loans	EUR	5.22	2028	51,270	50,720
Secured floating rate loans	RMB	4.45 – 4.70	2026 – 2032	15,933	15,917
Secured floating rate loans	USD	7.18 – 8.16	2024 – 2032	426,441	425,118
Sustainability-linked notes	JPY	1.05	2029	153,945	153,812
Sustainability-linked notes	SGD	3.63	2027	200,000	199,559
Unsecured fixed rate loans	KRW	3.55	2024	33,248	33,240
Unsecured fixed rate loans	USD	1.00	2025	91	91
Unsecured floating rate loans	EUR	4.98 – 5.28	2024 – 2027	161,866	161,434
Unsecured floating rate loans	GBP	6.20 – 6.84	2024 – 2028	307,567	305,542
Unsecured floating rate loans	JPY	1.31	2024	10,263	10,246
Unsecured floating rate loans	SGD	4.65 – 5.28	2024 – 2028	152,454	151,974
Unsecured floating rate loans	USD	6.63 – 8.15	2025 – 2029	260,701	259,366
				<u>3,060,428</u>	<u>3,048,361</u>

* In 2022, the CapitaLand Ascott BT Group has drawn down a USD36.0 million unsecured floating rate loan. The margin for the loan has been reduced after 12 months from the first utilisation date as no event of default has occurred and Global Real Estate Sustainability Benchmark rating achievement has been met.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
Stapled Group					
2022					
Medium term notes	EUR	2.75	2024	113,472	113,339
Medium term notes	JPY	0.97	2025	51,100	51,092
Medium term notes	SGD	3.52 - 5.00	2023 - 2026	385,000	384,486
Secured fixed rate loans	JPY	0.25 - 1.39	2024 - 2029	399,980	396,835
Secured fixed rate loans	USD	2.70 - 2.90	2028	110,066	109,333
Secured floating rate loans	JPY	0.16 - 1.01	2024 - 2029	100,718	98,480
Secured floating rate loans	RMB	4.70 - 4.80	2026 - 2032	17,487	17,487
Secured floating rate loans	USD	2.30 - 6.99	2023 - 2032	483,341	481,339
Secured floating rate loans	VND	4.00 - 4.50	2023	560	560
Sustainability-linked notes	JPY	1.05	2029	168,630	168,474
Sustainability-linked notes	SGD	3.63	2027	200,000	199,425
Unsecured fixed rate loans	KRW	3.55	2024	33,280	33,236
Unsecured fixed rate loans	USD	1.00	2025	160	160
Unsecured floating rate loans	AUD	3.92 - 4.56	2023 - 2024	221,986	221,741
Unsecured floating rate loans	EUR	1.69 - 3.92	2024	92,905	92,771
Unsecured floating rate loans	GBP	2.28 - 3.49	2024	35,137	35,052
Unsecured floating rate loans	JPY	0.58 - 1.30	2023 - 2024	63,364	63,273
Unsecured floating rate loans	SGD	3.97 - 5.86	2025 - 2026	137,270	136,369
Unsecured floating rate loans	USD	3.39 - 6.91	2025 - 2029	272,834	271,134
				<u>2,887,290</u>	<u>2,874,586</u>

Guarantees

The CapitaLand Ascott REIT Group has provided corporate guarantees to banks amounting to \$558,279,000 (2022: \$401,213,000) for bank loans undertaken by its subsidiaries which expire in 2025, 2026, 2028, 2029 and 2032. The CapitaLand Ascott BT Group has provided corporate guarantees to banks amounting to \$33,248,000 (2022: \$208,475,000) for unsecured bank loans undertaken by its subsidiaries which expire in 2024.

The earliest period that the guarantees could be called is within one year (2022: one year) from the reporting date.

At the reporting date, the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group do not consider it probable that a claim will be made under these guarantees.

Loan covenant

As at 31 December 2023, the Stapled Group has complied with all debt covenants or obtained waivers to defer testing of debt covenant compliance to after the year end.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

CapitaLand Ascott REIT Group	Bank loans and notes \$'000	Interest payable ⁽¹⁾ (Note 18) \$'000	Lease liabilities (Note 20) \$'000	Total \$'000
Balance as at 1 January 2022	2,379,714	5,455	275,879	2,661,048
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	1,554,606	-	-	1,554,606
Repayment of borrowings and notes	(1,319,220)	-	-	(1,319,220)
Payment of transaction costs on borrowings and notes	(7,842)	-	-	(7,842)
Payment of lease liabilities	-	-	(7,897)	(7,897)
Interest paid	-	(45,587)	(10,379)	(55,966)
Total changes from financing cash flows	227,544	(45,587)	(18,276)	163,681
Other changes				
Finance costs	3,498	48,108	10,379	61,985
Effect of changes in foreign exchange rates	(108,393)	(12)	(968)	(109,373)
Acquisition of investment properties (Note 38)	113,354	-	-	113,354
Balance as at 31 December 2022	2,615,717	7,964	267,014	2,890,695
Balance as at 1 January 2023	2,615,717	7,964	267,014	2,890,695
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	704,147	-	-	704,147
Repayment of borrowings and notes	(499,073)	-	-	(499,073)
Payment of transaction costs on borrowings and notes	(2,966)	-	-	(2,966)
Payment of lease liabilities	-	-	(9,000)	(9,000)
Interest paid	-	(64,131)	(9,716)	(73,847)
Total changes from financing cash flows	202,108	(64,131)	(18,716)	119,261
Other changes				
Finance costs	3,291	67,788	9,716	80,795
Effect of changes in foreign exchange rates	(73,219)	(57)	(4,395)	(77,671)
Modification of lease liability	-	-	7,635	7,635
Acquisition of investment properties (Note 38)	167,081	-	2,711	169,792
Balance as at 31 December 2023	2,914,978	11,564	263,965	3,190,507

(1) Net of interest receivables of \$7,522,000 (2022: \$6,212,000) from cross currency interest rate swaps.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

CapitaLand Ascott BT Group	Bank loans and notes \$'000	Interest payable ⁽¹⁾ (Note 18) \$'000	Lease liabilities (Note 20) \$'000	Total \$'000
Balance as at 1 January 2022	349,210	1,152	99,972	450,334
Changes from financing cash flows				
Proceeds from borrowings	92,243	-	-	92,243
Repayment of borrowings and notes	(161,770)	-	-	(161,770)
Payment of transaction costs on borrowings	(231)	-	-	(231)
Payment of lease liabilities	-	-	(4,989)	(4,989)
Interest paid	-	(6,559)	(7,542)	(14,101)
Total changes from financing cash flows	(69,758)	(6,559)	(12,531)	(88,848)
Other changes				
Finance costs	294	6,640	7,542	14,476 ⁽²⁾
Effect of changes in foreign exchange rates	(20,877)	(136)	(13,595)	(34,608)
Balance as at 31 December 2022	258,869	1,097	81,388	341,354
Balance as at 1 January 2023	258,869	1,097	81,388	341,354
Changes from financing cash flows				
Proceeds from borrowings	51,270	-	-	51,270
Repayment of borrowings	(175,468)	-	-	(175,468)
Payment of transaction costs on borrowings	(557)	-	-	(557)
Payment of lease liabilities	-	-	(4,890)	(4,890)
Interest paid	-	(6,582)	(6,388)	(12,970)
Total changes from financing cash flows	(124,755)	(6,582)	(11,278)	(142,615)
Other changes				
Finance costs	242	5,678	6,388	12,308 ⁽²⁾
Effect of changes in foreign exchange rates	(973)	73	(6,931)	(7,831)
Balance as at 31 December 2023	133,383	266	69,567	203,216

(1) Net of interest receivables of \$38,000 (2022: \$789,000) from cross currency interest rate swaps and including interest payable to CapitaLand Ascott REIT Group of \$Nil (2022: \$51,000) from interest bearing loan due to related parties.

(2) Excludes financial expenses from remeasuring the security deposits of \$125,000 (2022: \$140,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Stapled Group	Bank loans and notes \$'000	Interest payable ⁽¹⁾ (Note 18) \$'000	Lease liabilities (Note 20) \$'000	Total \$'000
Balance as at 1 January 2022	2,728,924	6,542	275,879	3,011,345
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	1,646,849	-	-	1,646,849
Repayment of borrowings and notes	(1,480,990)	-	-	(1,480,990)
Payment of transaction costs on borrowings and notes	(8,073)	-	-	(8,073)
Payment of lease liabilities	-	-	(7,897)	(7,897)
Interest paid	-	(52,146)	(10,379)	(62,525)
Total changes from financing cash flows	157,786	(52,146)	(18,276)	87,364
Other changes				
Finance costs	3,792	54,701	10,379	68,872 ⁽²⁾
Effect of changes in foreign exchange rates	(129,270)	(87)	(968)	(130,325)
Acquisition of investment properties (Note 38)	113,354	-	-	113,354
Balance as at 31 December 2022	2,874,586	9,010	267,014	3,150,610
Balance as at 1 January 2023	2,874,586	9,010	267,014	3,150,610
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	755,417	-	-	755,417
Repayment of borrowings and notes	(674,541)	-	-	(674,541)
Payment of transaction costs on borrowings and notes	(3,523)	-	-	(3,523)
Payment of lease liabilities	-	-	(9,000)	(9,000)
Interest paid	-	(70,653)	(9,716)	(80,369)
Total changes from financing cash flows	77,353	(70,653)	(18,716)	(12,016)
Other changes				
Finance costs	3,533	73,456	9,716	86,705 ⁽²⁾
Effect of changes in foreign exchange rates	(74,192)	17	(4,395)	(78,570)
Modification of lease liability	-	-	7,635	7,635
Acquisition of investment properties (Note 38)	167,081	-	2,711	169,792
Balance as at 31 December 2023	3,048,361	11,830	263,965	3,324,156

(1) Net of interest receivables of \$7,560,000 (2022: \$7,001,000) from cross currency interest rate swaps.

(2) Excludes financial expenses from remeasuring the security deposits of \$125,000 (2022: \$140,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 TRADE AND OTHER PAYABLES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade payables and accrued operating expenses	100,646	93,935	26,206	25,251	126,852	119,186
Amounts due to associate (non-trade)	1,876	1,884	-	-	1,876	1,884
Amounts due to related parties:						
- trade	18,816	22,292	5,485	7,776	21,553	24,059
- non-trade	2,612	3,734	68,225	43,294	1,886	1,623
- milestone payment for acquisition of investment properties	91,879	28,428	-	-	91,879	28,428
- milestone payment for acquisition of a hotel	-	-	30,105	-	30,105	-
- loan (interest-bearing)	3,921	3,919	5,127	2,257	3,921	3,919
Amounts due to the REIT Manager	7,623	5,976	-	-	7,623	5,976
Amounts due to the BT Trustee-Manager	-	-	1,156	255	1,156	255
Amounts due to the REIT Trustee	254	235	-	-	254	235
Amounts due to non-controlling interests (non-trade)	652	686	-	-	652	686
Loans due to CapitaLand Ascott REIT Group	-	-	143,373	107,287	-	-
Interest payable	19,086	14,176	304	1,835	19,390	16,011
Rental deposits and advance rental	39,212	37,167	5,673	4,814	44,885	41,981
Trade and other payables (current)	286,577	212,432	285,654	192,769	352,032	244,243
Other payables	-	-	309	409	309	409
Rental deposits	-	32	7,826	8,215	7,826	8,247
Trade and other payables (non-current)	-	32	8,135	8,624	8,135	8,656

The non-trade amounts due to associate and related parties mainly pertain to payments made on behalf by these entities. These amounts and loans due to the CapitaLand Ascott REIT Group are unsecured, interest-free and repayable on demand. The effective interest rate for the interest-bearing loan to related parties in the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group are 2.33% (2022: 2.27%), 5.41% (2022: 1.90%) and 2.33% (2022: 2.27%) per annum respectively.

The non-trade amounts due to non-controlling interests mainly pertain to interest-bearing loans extended to the Stapled Group with an effective interest rate of 7.20% (2022: 3.97%) per annum.

Milestone payment for acquisition of investment properties will be paid to the vendor by the CapitaLand Ascott REIT Group when:

- (i) 70% of the renovation works have been completed by the master lessee of La Clef Tour Eiffel Paris; and
- (ii) 70% of the renovation works have been completed for The Cavendish London.

Milestone payment for acquisition of a hotel will be paid to the vendor by the CapitaLand Ascott BT Group when 70% of the renovation works have been completed for Temple Bar Hotel.

The non-current rental deposits are refundable to tenant upon the lease expiry ranging from December 2025 to June 2038.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

19 DEFERRED INCOME

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current	425	-	120	135	545	135
Non-current	7,969	-	747	876	8,716	876
Total	8,394	-	867	1,011	9,261	1,011
At 1 January	-	-	1,011	2,097	1,011	2,097
Additions during the year	8,500	-	-	-	8,500	-
Amount amortised during the year						
- Gross revenue (Note 23)	(106)	-	-	(786)	(106)	(786)
- Finance income (Note 25)	-	-	(125)	(140)	(125)	(140)
Translation differences	-	-	(19)	(160)	(19)	(160)
	8,394	-	867	1,011	9,261	1,011

Deferred income relates to the following:

- (i) Cash reimbursement received from Accor for its 50% share of the \$30.0 million capital expenditure incurred by the Accor Australia hotels for refurbishment works which was completed in 2013. The reimbursement by Accor is conditional upon the non-termination of the hotel management agreement signed between Ascendas Hotel Investment Company Pty Limited and Accor prior to 30 June 2017 and on a pro-rata basis if the termination occurs after 30 June 2017 but before 30 June 2022. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis. The deferred income was fully amortised during the year ended 31 December 2022.
- (ii) Difference between the considerations received for rental deposits arising from the master leases and its fair value on initial recognition. Deferred income is credited to the Statement of Total Return as finance income.
- (iii) Key money contribution of \$8.5 million received from Ascott International Management Pte Ltd ("AIMPL") for the rebranding and renovation of the property during the year, upon rebranding of the property to The Robertson House by The Crest Collection in 2023. In the event of termination of the hotel management agreement signed between AHBT and AIMPL on 30 September 2022, AHBT will return a percentage of the key money contributed by AIMPL based on the remaining duration of the hotel management agreement from the date the property is rebranded as The Robertson House by The Crest Collection. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 LEASE LIABILITIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current	10,288	9,646	5,155	5,185	10,288	9,646
Non-current	253,677	257,368	64,412	76,203	253,677	257,368
Total	263,965	267,014	69,567	81,388	263,965	267,014

The investment properties of the CapitaLand Ascott BT Group included a right-of-use asset relating to the operating lease for Ariake Hotel on adoption of FRS 116/SFRS(I) 16. AAGK, a subsidiary of CapitaLand Ascott BT, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kaisha, a subsidiary of CapitaLand Ascott REIT. FRS 116/SFRS(I) 16 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Stapled Group as the intra-group transaction will be eliminated upon consolidation.

Leases as lessee (FRS 116/SFRS(I) 16)

The CapitaLand Ascott REIT Group leases the land on which three (2022: three) of the investment properties were constructed. The leases have initial tenures ranging from 25 to 48 years (2022: 25 to 48 years).

The CapitaLand Ascott REIT Group also leases the commercial podium under a 33-year master lease in Somerset Olympic Tower Property Tianjin. The operating lease payables are based on the fixed component of the rent payable under the lease agreement, adjusted for incremental rent which have been provided for in the agreement.

Information about leases for which the CapitaLand Ascott REIT Group is a lessee is presented below.

Amounts recognised in the Statement of Total Return

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	\$'000	\$'000
Lease under FRS 116/SFRS(I) 16		
Interest expense on lease liabilities	9,716	10,379
Change in fair value of right-of-use assets	9,471	9,059
<i>Variable lease payments not capitalised in lease liabilities</i>		
Variable lease payments which do not depend on an index or rate ⁽¹⁾	374	351

(1) The CapitaLand Ascott REIT Group manages certain units at one of the investment properties on behalf of third-party unit owners. The variable lease payments paid to these unit owners are based on a percentage of the net operational profit derived from the investment property. Such variable lease payments are recognised in the Statement of Total Return when incurred and amounted to \$374,000 (2022: \$351,000) for the year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 LEASE LIABILITIES (continued)

Amounts recognised in Statement of Cash Flows

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	\$'000	\$'000
Payment of lease liabilities	9,000	7,897
Interest paid	9,716	10,379
Total cash outflow for leases	18,716	18,276

21 STAPLED SECURITYHOLDERS' FUNDS

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, effective portion of the hedging instrument which is used to hedge against the Stapled Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Stapled Group's net investments in foreign entities.

Capital reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to a general reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The capital reserve of the subsidiary can be used to make good previous years' losses, if any, and may be converted to paid-in capital of the subsidiary in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

Asset revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings, net of deferred tax.

Capital management

The Managers review the Stapled Group's capital structure regularly, which the Stapled Group defines as total Stapled Securityholders' funds (excluding non-controlling interests) and the level of distribution to Stapled Securityholders. The Stapled Group uses a combination of debt and equity to fund acquisition and asset enhancement projects.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 STAPLED SECURITYHOLDERS' FUNDS (continued)

Capital management (continued)

The objectives of the Managers are to:

- (a) maintain a strong balance sheet by adopting and maintaining a target gearing range;
- (b) secure diversified funding sources from financial institutions and/or capital markets;
- (c) adopt a proactive interest rate management strategy to manage risks related to interest rate fluctuations; and
- (d) manage the foreign currency exposure of income and capital values of overseas assets through hedging, where appropriate.

The Managers seek to maintain a combination of debt and equity in order to balance the cost of capital and the returns to Stapled Securityholders. The Managers also monitor the externally imposed capital requirements closely and ensures that the capital structure adopted complies with the requirements.

CapitaLand Ascott REIT is subject to the Aggregate Leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (the "Aggregate Leverage") of a property fund should not exceed 50.0% of the fund's Deposited Property before 1 January 2022. It was announced that after 1 January 2022, the Aggregate Leverage limit is revised to 45% with the exception that the Aggregate Leverage limit may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at the reporting date, CapitaLand Ascott REIT has a credit rating of BBB from Fitch Ratings (2022: BBB- from Fitch Ratings). The Aggregate Leverage of the CapitaLand Ascott REIT Group as at 31 December 2023 was 40.3% (2022: 39.7%) of the CapitaLand Ascott REIT Group's Deposited Property. This complied with the Aggregate Leverage limit.

The aggregate leverage of the Stapled Group as at 31 December 2023 was 37.9% (2022: 38.0%).

There were no changes in the Stapled Group's approach to capital management during the year.

22 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES

(a) Stapled Securities in issue

	CapitaLand Ascott REIT Units		CapitaLand Ascott BT Units		Stapled Securities	
	2023	2022	2023	2022	2023	2022
	'000	'000	'000	'000	'000	'000
At 1 January	3,445,625	3,276,547	3,445,625	3,276,547	3,445,625	3,276,547
Issue of new Stapled Securities:						
– Equity fund raising	292,293	151,786	292,293	151,786	292,293	151,786
– Management fees paid in Stapled Securities	22,234	17,292	22,234	17,292	22,234	17,292
– Acquisition fees paid in Stapled Securities	3,152	–	3,152	–	3,152	–
At 31 December	3,763,304	3,445,625	3,763,304	3,445,625	3,763,304	3,445,625

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

22 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Stapled Securities in issue (continued)

During the financial year ended 31 December 2023, the REIT Manager and the BT Trustee-Manager issued Stapled Securities as follows:

- (a) 191,755,000 Stapled Securities at an issue price of \$1.043 per Stapled Security amounting to \$200,000,465 by way of a private placement to institutional and other investors.
- (b) 100,538,407 Stapled Securities by way of a non-renounceable preferential offering at an issue price of \$1.025 per Stapled Security based on 29 new Stapled Securities for every 1,000 existing Stapled Securities amounting to \$103,051,867.
- (c) 19,903,216 Stapled Securities at issue prices ranging from \$0.9719 to \$1.097 per Stapled Security, amounting to \$23,479,000, as payment of the REIT Manager's base management fees for the period from 1 October 2022 to 30 September 2023 and the REIT Manager's performance fees for the period from 1 January 2022 to 31 December 2022.
- (d) 2,330,636 Stapled Securities at issue prices ranging from \$0.9719 to \$1.097 per Stapled Security, amounting to \$2,385,000 as payment of the BT Trustee-Manager's base management fees and performance fees for the period from 1 October 2022 to 30 September 2023.

During the financial year ended 31 December 2022, the REIT Manager and the BT Trustee-Manager issued Stapled Securities as follows:

- (a) 151,786,000 Stapled Securities at an issue price of \$1.120 per Stapled Security amounting to \$170,000,320 by way of a private placement to institutional and other investors.
- (b) 15,300,375 Stapled Securities at issue prices ranging from \$1.0144 to \$1.1354 per Stapled Security, amounting to \$16,135,000, as payment of the REIT Manager's base management fees for the period from 1 October 2021 to 30 September 2022 and the REIT Manager's performance fees for the period from 1 January 2021 to 31 December 2021.
- (c) 1,991,954 Stapled Securities at issue prices ranging from \$1.0144 to \$1.1354 per Stapled Security, amounting to \$2,123,000 as payment of the BT Trustee-Manager's base management fees and performance fees for the period from 1 October 2021 to 30 September 2022.

Each CapitaLand Ascott BT Unit was stapled to one CapitaLand Ascott REIT Unit to form one Stapled Security in accordance with the Stapling Deed entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in the Stapled Group.

A holder of the Stapled Security has no equitable or proprietary interest in the underlying assets of the Stapled Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of the Stapled Group.

The holders of the Stapled Securities are entitled to receive distributions as and when declared by the Stapled Group.

A Stapled Securityholder's liability is limited to the amount paid or payable for any Stapled Securities in the Stapled Group.

Each CapitaLand Ascott REIT Unit and CapitaLand Ascott BT Unit carry the same voting rights.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

22 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES (continued)

(b) Perpetual securities

On 30 June 2015, CapitaLand Ascott REIT issued \$250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter. As announced on 29 May 2020, the \$250.0 million perpetual securities would not be redeemed. The distribution rate applicable to the perpetual securities was reset to 3.07% per annum on 30 June 2020.

On 4 September 2019, CapitaLand Ascott REIT issued \$150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter.

The perpetual securities have no fixed redemption date and redemption is at the option of CapitaLand Ascott REIT in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of CapitaLand Ascott REIT and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of CapitaLand Ascott REIT:

- These perpetual securities rank *pari passu* with the holders of preferred Units (if any) and rank ahead of the Stapled Securityholders of CLAS, but junior to the claims of all other present and future creditors of CapitaLand Ascott REIT.
- CapitaLand Ascott REIT shall not declare or pay any distributions to the Stapled Securityholders, or make redemptions, unless CapitaLand Ascott REIT declares or pays any distributions to the holders of the perpetual securities.

These perpetual securities are classified as equity instruments and recorded within the Statements of Movements in Stapled Securityholders' Funds. The \$396,298,000 (2022: \$396,298,000) presented on the Statements of Financial Position represents the \$400,000,000 (2022: \$400,000,000) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

23 GROSS REVENUE

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross rental income	560,935	468,203	27,907	25,928	575,297	479,577
Hospitality income	20,257	14,931	-	-	20,257	14,931
Hotel revenue	-	-	143,776	123,079	143,776	123,079
Amortisation of deferred income (Note 19)	106	-	-	786	106	786
Car park income	5,122	2,869	-	-	5,122	2,869
	586,420	486,003	171,683	149,793	744,558	621,242

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 DIRECT EXPENSES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operations and maintenance expenses	60,802	51,314	17,453	14,381	78,255	65,695
Staff costs	66,020	55,391	50,244	40,486	116,264	95,877
Serviced residence management fees	25,809	17,299	477	307	26,286	17,606
Property tax	33,194	31,471	6,135	6,005	39,329	37,476
Depreciation of property, plant and equipment	12,025	12,514	2,252	2,763	14,277	15,277
Marketing and selling expenses	38,944	28,301	13,848	10,598	52,792	38,899
Administrative and general expenses	38,244	32,958	11,533	10,727	49,777	43,685
Other direct expenses	20,349	16,309	11,246	9,624	29,329	23,909
	295,387	245,557	113,188	94,891	406,309	338,424
Contributions to defined contribution plans included in staff costs	4,516	3,959	4,208	3,098	8,724	7,057

25 FINANCE INCOME AND COSTS

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Finance income						
Interest income from a related party	9	46	-	-	-	-
Financial income arising from remeasuring the deferred income (Note 19)	-	-	125	140	125	140
Bank deposits	3,116	1,130	1,193	198	4,309	1,328
	3,125	1,176	1,318	338	4,434	1,468
Finance costs						
Amortisation of transaction costs	(3,291)	(3,498)	(242)	(294)	(3,533)	(3,792)
Interest on bank loans	(105,685)	(64,236)	(10,266)	(9,690)	(115,951)	(73,926)
Cash flow hedges, reclassified from hedging reserve	15,369	1,095	2,700	1,292	18,069	2,387
Cross currency interest rate swaps ⁽¹⁾	23,857	16,497	1,925	1,846	25,782	18,343
Interest expense on lease liabilities	(9,716)	(10,379)	-	-	(9,716)	(10,379)
Interest expense on lease liabilities paid/payable to the CapitaLand Ascott REIT Group	-	-	(6,388)	(7,542)	-	-
Interest paid/payable to a related corporation	(90)	(91)	(9)	(46)	(90)	(91)
Financial expense from remeasuring the security deposits	-	-	(125)	(140)	(125)	(140)
Others	(1,239)	(1,373)	(28)	(42)	(1,266)	(1,414)
	(80,795)	(61,985)	(12,433)	(14,616)	(86,830)	(69,012)

(1) Interest income arising from cross currency interest rate swaps are classified within finance costs as these financial derivatives were entered into by the Stapled Group as cash flow hedging instruments for certain bank loans.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

26 MANAGERS' MANAGEMENT FEES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REIT Manager's fees ⁽¹⁾						
- Base fee	18,176	17,053	-	-	18,176	17,053
- Performance fee	11,142	8,534	-	-	11,142	8,534
	29,318	25,587	-	-	29,318	25,587
BT Trustee-Manager's fees ⁽¹⁾						
- Base fee	-	-	830	956	830	956
- Performance fee	-	-	1,851	1,713	1,851	1,713
	-	-	2,681	2,669	2,681	2,669
Onshore fees paid/payable to related entities of the Managers ⁽²⁾	272	279	1,946	1,884	2,218	2,163
	29,590	25,866	4,627	4,553	34,217	30,419

(1) A total of 22,134,460 (2022: 18,634,723) Stapled Securities and 2,350,563 (2022: 2,169,590) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees and the BT Trustee-Manager's management fees amounting to \$22,340,000 (2022: \$19,481,000) and \$2,329,000 (2022: \$2,276,000) respectively in respect of the year ended 31 December 2023. The cash portion is derived after deducting the onshore fees payable to the other appointed asset managers.

(2) This relates to management fees paid/payable to related entities for asset management services for some of the properties in Australia, Japan and South Korea.

Under the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, part of the fees payable to the Managers can be paid by certain subsidiaries of the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group to certain nominated entities of the Managers in certain jurisdictions outside Singapore in which the Stapled Group has a presence (namely, Australia, Japan and South Korea).

The onshore fees form part of, are and not in addition to, the fees payable to the REIT Manager and the BT Trustee-Manager.

27 PROFESSIONAL FEES

Professional fees of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group include valuation fees of \$652,000, \$142,000 and \$794,000 respectively (2022: \$720,000, \$138,000 and \$858,000 respectively).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

28 NET INCOME

The following items have been included in arriving at net income for the year:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees paid to:						
– auditors of the Stapled Group and other firms affiliated with KPMG International Limited	3,211	3,461	447	449	3,658	3,910
Non-audit fees ⁽¹⁾ paid to:						
– auditors of the Stapled Group and other firms affiliated with KPMG International Limited	123	62	–	–	123	62
Loss on disposal of property, plant and equipment	65	345	–	–	1,313	345
Impairment loss on trade and other receivables recognised/ (written back)	35	389	(8)	27	27	416
Write-off of trade and other receivables	404	276	23	–	427	276

(1) Total non-audit fees amounted to \$204,000 (2022: \$143,000), of which audit-related services of \$81,000 (2022: \$81,000) has been capitalised as capital expenditure.

29 PROFIT FROM DIVESTMENTS

Divestment of assets held for sale

On 22 September 2023, the CapitaLand Ascott REIT Group completed the divestment of four serviced residence properties in France for a total consideration of \$64.7 million. The four properties are Citadines Croisette Cannes, Citadines Prado Chanot Marseille, Citadines Castellane Marseille and Citadines City Centre Lille. The disposed serviced residence properties contributed profit after tax of \$1,979,000 from 1 January 2023 to the date of disposal.

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	\$'000	\$'000
Gain on divestment of assets held for sale	16,016	99

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

30 INCOME TAX EXPENSE

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax expense						
Current year	33,553	15,507	489	2,673	34,042	18,180
Under/(Over) provided in prior years	672	(219)	(1,961)	(18)	(1,289)	(237)
Withholding tax	4,107	3,758	1,861	1,017	5,968	4,775
	38,332	19,046	389	3,672	38,721	22,718
Deferred tax expense						
Origination and reversal of temporary differences	33,327	11,797	514	699	33,841	12,496
(Over)/Under provided in prior years	(118)	(1,675)	-	24	(118)	(1,651)
	33,209	10,122	514	723	33,723	10,845
Income tax expense	71,541	29,168	903	4,395	72,444	33,563
Reconciliation of effective tax rate						
Total return before income tax	295,021	273,742	26,984	4,444	302,225	259,783
Income tax using the Singapore tax rate of 17% (2022: 17%)	50,154	46,536	4,587	755	51,378	44,163
Effect of different tax rates in foreign jurisdictions	25,386	22,337	460	581	25,846	22,918
Tax rebate/relief/exemption	(211)	(58)	-	-	(211)	(58)
Income not subject to tax	(88,299)	(101,039)	(9,298)	(5,910)	(94,241)	(103,864)
Tax benefits not recognised	13,415	10,699	-	-	13,415	10,699
Expenses not deductible for tax purposes	78,668	56,473	11,301	9,338	89,976	65,854
Utilisation of previously unrecognised tax losses	(6,516)	(1,067)	(6,047)	(1,392)	(12,563)	(2,459)
Tax transparency	(5,717)	(6,577)	-	-	(5,717)	(6,577)
Under/(Over) provision in prior years	554	(1,894)	(1,961)	6	(1,407)	(1,888)
Withholding tax	4,107	3,758	1,861	1,017	5,968	4,775
	71,541	29,168	903	4,395	72,444	33,563

No income tax effects have been recognised for those items recognised directly in Stapled Securityholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

30 INCOME TAX EXPENSE (continued)

Global minimum tax under Pillar Two

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 140 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a set of model rules, followed by detailed commentary and administrative guidance in 2022 and 2023, that are expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws.

In 2023, various jurisdictions in which the Stapled Group operates in have started the process of enacting tax legislations to implement the Pillar Two model rules. Management is closely monitoring the progress of the legislative process in each jurisdiction that the Stapled Group operates in, and has engaged tax consultants to assist the Stapled Group in calculating the impact of the top-up tax arising from the enacted/substantively enacted legislation. However, due to the complex nature of the legislations and calculations to determine the adjustments required for Pillar Two, the Stapled Group did not have sufficient information to reasonably determine the potential quantitative impact as at the balance sheet date. As at 31 December 2023, the Stapled Group did not have subsidiaries with significant operations in countries where the statutory tax rate is less than 15%. Accordingly, any top-up tax is not expected to have a significant impact to the Stapled Group.

31 EARNINGS PER STAPLED SECURITY

Basic earnings per Stapled Security

The calculation of basic earnings per Stapled Security for the Stapled Group was based on the total return for the year attributable to Stapled Securityholders and a weighted average number of Stapled Securities outstanding.

	Stapled Group	
	2023	2022
	\$'000	\$'000
Total return attributable to Stapled Securityholders and perpetual securities holders	231,255	223,305
Less: Total return attributable to perpetual securities holders	(13,495)	(13,495)
Total return attributable to Stapled Securityholders	217,760	209,810
	Stapled Group	
	2023	2022
	'000	'000
Issued Stapled Securities at the beginning of the year	3,445,625	3,276,547
Effect of issue of new Stapled Securities:		
- Equity fund raising	106,328	54,061
- Management fees paid in Stapled Securities	13,535	9,954
- Acquisition fees paid in Stapled Securities	2,141	-
Weighted average number of Stapled Securities outstanding during the year	3,567,629	3,340,562

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

31 EARNINGS PER STAPLED SECURITY (continued)

Diluted earnings per Stapled Security

The calculation of diluted earnings per Stapled Security for the Stapled Group was based on the total return for the year attributable to Stapled Securityholders and a weighted average number of Stapled Securities outstanding after adjustment for the effects of all dilutive potential Stapled Securities.

	Stapled Group	
	2023	2022
	'000	'000
Weighted average number of Stapled Securities used in calculation of basic earnings per Stapled Security	3,567,629	3,340,562
Weighted average number of unissued Stapled Securities for base and performance fees	21,371	17,502
Weighted average number of Stapled Securities outstanding (diluted) during the year	3,589,000	3,358,064

32 ISSUE EXPENSES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underwriting fees and selling commission	1,713	1,870	1,417	-	3,130	1,870
Professional fees	245	179	183	-	428	179
Other expenses	1,222	244	1,020	-	2,242	244
	3,180	2,293	2,620	-	5,800	2,293

These expenses were deducted/(credited) directly against Stapled Securityholders' funds:

- issue expenses relating to equity fund raising	3,180	2,293	2,620	-	5,800	2,293
- reversal of over provision of issue expenses	-	(24)	-	-	-	(24)
	3,180	2,269	2,620	-	5,800	2,269

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Stapled Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Stapled Group's exposure to each of the above risks, the Stapled Group's objectives, policies and processes for measuring and managing risk, and the Stapled Group's management of capital. Further quantitative disclosures are included throughout these financial statements. There were no changes in the Stapled Group's approach to financial risk management during the year.

Risk management framework

Risk management is integral to the whole business of the Stapled Group. The Stapled Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Managers continually monitor the Stapled Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Stapled Group's activities.

The ARC oversees how management monitors compliance with the Stapled Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Stapled Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Stapled Group as and when they fall due.

Exposure to credit risk

Trade receivables

The Managers have established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the serviced residence management companies before lease agreements are entered into with customers. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

As at 31 December 2023 and 31 December 2022, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position.

Concentration of credit risk relating to trade receivables is limited due to the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's varied tenants and a credit policy of collecting rental deposits on certain leases. These tenants are from a wide range of nationalities and are engaged in a wide spectrum of business activities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	3,030	3,515	311	614	3,341	4,129
Australia	4,106	4,149	3,178	5,301	7,284	9,450
China	1,070	1,740	-	-	1,070	1,740
Europe (excluding United Kingdom)	4,071	3,477	-	-	4,071	3,477
Indonesia	399	355	-	-	399	355
Ireland	-	-	329	-	329	-
Japan	4,126	1,412	1,152	1	5,278	1,413
Malaysia	33	39	-	-	33	39
Philippines	4,023	2,617	-	-	4,023	2,617
South Korea	-	-	2,853	1,382	2,853	1,382
United Kingdom	2,616	3,189	-	-	2,616	3,189
United States of America	9,283	7,663	-	-	9,283	7,663
Vietnam	752	715	-	-	752	715
	33,509	28,871	7,823	7,298	41,332	36,169

A summary of the Stapled Group's exposures to credit risk for trade receivables is as follows:

	Not credit impaired	Credit impaired	Total	Not credit impaired	Credit impaired	Total
	2023	2023	2023	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CapitaLand Ascott REIT Group						
Current	23,302	8	23,310	19,624	11	19,635
Within 30 days	5,449	3	5,452	3,601	-	3,601
30 to 60 days	1,426	-	1,426	1,374	-	1,374
More than 60 days	3,925	7,309	11,234	4,844	6,714	11,558
Total gross carrying amount	34,102	7,320	41,422	29,443	6,725	36,168
Loss allowance	(593)	(7,320)	(7,913)	(572)	(6,725)	(7,297)
	33,509	-	33,509	28,871	-	28,871
CapitaLand Ascott BT Group						
Current	4,357	-	4,357	5,143	-	5,143
Within 30 days	2,683	-	2,683	929	20	949
30 to 60 days	193	-	193	272	-	272
More than 60 days	666	34	700	1,052	-	1,052
Total gross carrying amount	7,899	34	7,933	7,396	20	7,416
Loss allowance	(76)	(34)	(110)	(98)	(20)	(118)
	7,823	-	7,823	7,298	-	7,298
Stapled Group						
Current	27,659	8	27,667	24,767	11	24,778
Within 30 days	8,132	3	8,135	4,530	20	4,550
30 to 60 days	1,619	-	1,619	1,646	-	1,646
More than 60 days	4,591	7,343	11,934	5,896	6,714	12,610
Total gross carrying amount	42,001	7,354	49,355	36,839	6,745	43,584
Loss allowance	(669)	(7,354)	(8,023)	(670)	(6,745)	(7,415)
	41,332	-	41,332	36,169	-	36,169

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

There is an increase in credit-impaired balances for specific customers with liquidity constraints arising from the COVID-19 pandemic which contributed to the change in impairment allowances of \$456,000 (2022: \$628,000).

The movement in impairment losses in respect of trade and other receivables during the year is as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January	7,301	6,585	118	100	7,419	6,685
Impairment losses recognised/(reversed)	35	389	(8)	27	27	416
Acquired from acquisition of investment properties	590	808	-	-	590	808
Utilised during the year	(34)	(335)	-	-	(34)	(335)
Translation differences	25	(146)	-	(9)	25	(155)
At 31 December	7,917	7,301	110	118	8,027	7,419

Based on historical default rates, the Stapled Group believes that, except for those recognised, no additional impairment is necessary in respect of trade and other receivables not past due. These receivables relate to customers that have a good credit record with the Stapled Group and/or rental deposits held.

Impairment losses

Expected credit loss assessment for customers of the Stapled Group

The credit quality of trade receivables of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group is assessed based on credit policies established by the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group. Trade and other receivables with high credit risk will be identified and monitored by the respective property. The CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as follows:

	Current \$'000	Past due			Total \$'000
		Within 30 days \$'000	30 to 60 days \$'000	More than 60 days \$'000	
2023					
CapitaLand Ascott REIT Group					
Expected loss rate	0.48%	1.30%	1.40%	68.62%	
Trade receivables	23,310	5,452	1,426	11,234	41,422
Loss allowance	113	71	20	7,709	7,913
CapitaLand Ascott BT Group					
Expected loss rate	1.72%	0.04%	0.00%	4.86%	
Trade receivables	4,357	2,683	193	700	7,933
Loss allowance	75	1	-	34	110
Stapled Group					
Expected loss rate	0.68%	0.89%	1.24%	64.88%	
Trade receivables	27,667	8,135	1,619	11,934	49,355
Loss allowance	188	72	20	7,743	8,023

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Expected credit loss assessment for customers of the Stapled Group (continued)

		Past due			
	Current	Within	30 to 60	More than	Total
	\$'000	30 days	days	60 days	\$'000
		\$'000	\$'000	\$'000	
2022					
CapitaLand Ascott REIT Group					
Expected loss rate	0.88%	1.69%	1.24%	60.97%	
Trade receivables	19,635	3,601	1,374	11,558	36,168
Loss allowance	172	61	17	7,047	7,297
CapitaLand Ascott BT Group					
Expected loss rate	1.44%	3.69%	1.84%	0.38%	
Trade receivables	5,143	949	272	1,052	7,416
Loss allowance	74	35	5	4	118
Stapled Group					
Expected loss rate	0.99%	2.11%	1.34%	55.92%	
Trade receivables	24,778	4,550	1,646	12,610	43,584
Loss allowance	246	96	22	7,051	7,415

No ageing analysis of other receivables is presented as majority of the outstanding balances as at 31 December 2023 is current.

Non-trade amounts due from related parties

Expected credit losses associated with the non-trade amounts due from related parties are assessed from estimated cash flows recoverable from the related parties based on the review of their financial strength (i.e. fair value of underlying net assets) and cash flow projections of their operations as at the reporting date.

The Stapled Group did not recognise any impairment arising from the amounts due from related parties as the ECL is not material.

Financial derivatives

The financial derivatives are entered into with banks and financial institution counterparties, which are regulated.

Cash and cash equivalents

The Stapled Group held cash and cash equivalents of \$432,806,000 at 31 December 2023 (2022: \$363,634,000). The cash and cash equivalents are held with banks and financial institution counterparties which are rated AA- to BBB-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 1-day expected loss basis and reflects the short maturities of the exposures. The Stapled Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Typically, the Stapled Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Stapled Group's reputation. The Managers also monitor and observe the CIS Code issued by MAS concerning limits on total borrowings. As at year end, the Stapled Group maintained several lines of credit and has complied with all debt covenants or obtained waivers to defer testing of debt covenant compliance to after the year end.

The Managers monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Stapled Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Stapled Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 31 December 2023, the Stapled Group is in a net current liabilities position of \$83.6 million (2022: \$169.7 million) and has current financial liabilities of \$562.4 million (2022: \$401.7 million) due in the next 12-months. The Managers are in discussions with various financial institutions to refinance these financial liabilities. The Managers do not expect any issue in refinancing these financial liabilities. In-addition, the Stapled Group has unutilised credit facilities of approximately \$894.8 million (2022: \$1,065.0 million) expiring between February 2024 and June 2028, that can be drawn down to meet short-term financing needs. The Stapled Group also holds investment properties amounting to \$4.1 billion (2022: \$3.4 billion) which are not pledged as securities to banks for banking facilities as at year end.

Notes issued by the Stapled Group as at 31 December 2023 are as follows: (a) \$905.6 million (2022: \$804.7 million) under the \$2.0 billion (2022: \$2.0 billion) Amended MTN Programme; (b) \$117.2 million (2022: \$113.5 million) under the US\$2.0 billion (2022: US\$2.0 billion) EMTN Programme.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

CapitaLand Ascott REIT Group	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
2023					
Non-derivative financial liabilities					
Floating rate loans	1,375,795	(1,664,831)	(303,660)	(1,129,482)	(231,689)
Fixed rate loans	517,947	(551,057)	(74,836)	(270,656)	(205,565)
Fixed rate notes	1,021,236	(1,122,894)	(268,308)	(699,264)	(155,322)
Lease liabilities	263,965	(369,919)	(20,342)	(84,806)	(264,771)
Trade and other payables ⁽¹⁾	279,670	(279,670)	(279,670)	-	-
	3,458,613	(3,988,371)	(946,816)	(2,184,208)	(857,347)
Derivative financial instruments					
Interest rate swaps					
- assets	(23,060)	26,808	14,708	11,367	733
- liabilities	5,923	(6,364)	390	(6,764)	10
Cross currency interest rate swaps					
- assets	(68,830)	121,951	26,898	95,053	-
- liabilities	1,177	(396)	143	(539)	-
Currency forwards					
- assets	(69)	(138)	(138)	-	-
	(84,859)	141,861	42,001	99,117	743
	3,373,754	(3,846,510)	(904,815)	(2,085,091)	(856,604)
2022					
Non-derivative financial liabilities					
Floating rate loans	1,193,556	(1,377,767)	(177,613)	(960,401)	(239,753)
Fixed rate loans	505,345	(545,402)	(6,663)	(225,326)	(313,413)
Fixed rate notes	916,816	(1,005,888)	(128,718)	(705,256)	(171,914)
Lease liabilities	267,014	(364,230)	(19,522)	(81,919)	(262,789)
Trade and other payables ⁽¹⁾	207,874	(207,957)	(207,842)	(115)	-
	3,090,605	(3,501,244)	(540,358)	(1,973,017)	(987,869)
Derivative financial instruments					
Interest rate swaps					
- assets	(31,934)	35,485	12,792	20,489	2,204
- liabilities	5	(6)	(6)	-	-
Cross currency interest rate swaps					
- assets	(59,471)	101,426	36,044	65,382	-
- liabilities	6,939	11,049	6,394	4,655	-
	(84,461)	147,954	55,224	90,526	2,204
	3,006,144	(3,353,290)	(485,134)	(1,882,491)	(985,665)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

		Cash flows			
	Carrying amount	Contractual cash flows	Within 1 year	Within 2 to 5 years	More than 5 years
CapitaLand Ascott BT Group	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Non-derivative financial liabilities					
Floating rate loans	99,237	(117,844)	(5,917)	(111,927)	-
Fixed rate loans	34,146	(34,495)	(33,526)	(969)	-
Lease liabilities	69,567	(100,974)	(10,916)	(43,664)	(46,394)
Trade and other payables ⁽¹⁾	283,789	(284,656)	(275,964)	(910)	(7,782)
	486,739	(537,969)	(326,323)	(157,470)	(54,176)
Derivative financial instruments					
Interest rate swaps					
- liabilities	566	(593)	206	(799)	-
Cross currency interest rate swaps					
- assets	(209)	3,435	1,835	1,600	-
	357	2,842	2,041	801	-
	487,096	(535,127)	(324,282)	(156,669)	(54,176)
2022					
Non-derivative financial liabilities					
Floating rate loans	224,650	(236,358)	(183,535)	(52,823)	-
Fixed rate loans	34,219	(35,816)	(1,195)	(34,621)	-
Lease liabilities	81,388	(122,563)	(11,957)	(47,830)	(62,776)
Trade and other payables ⁽¹⁾	193,982	(194,992)	(185,766)	(996)	(8,230)
	534,239	(589,729)	(382,453)	(136,270)	(71,006)
Derivative financial instruments					
Interest rate swaps					
- assets	(3,024)	3,821	3,821	-	-
Cross currency interest rate swaps					
- liabilities	810	786	786	-	-
	(2,214)	4,607	4,607	-	-
	532,025	(585,122)	(377,846)	(136,270)	(71,006)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Stapled Group	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
2023					
Non-derivative financial liabilities					
Floating rate loans	1,475,032	(1,782,675)	(309,577)	(1,241,409)	(231,689)
Fixed rate loans	552,093	(585,552)	(108,362)	(271,625)	(205,565)
Fixed rate notes	1,021,236	(1,122,894)	(268,308)	(699,264)	(155,322)
Lease liabilities	263,965	(369,919)	(20,342)	(84,806)	(264,771)
Trade and other payables ⁽¹⁾	343,259	(344,127)	(335,435)	(910)	(7,782)
	3,655,585	(4,205,167)	(1,042,024)	(2,298,014)	(865,129)
Derivative financial instruments					
Interest rate swaps					
– assets	(23,060)	26,808	14,708	11,367	733
– liabilities	6,489	(6,957)	596	(7,563)	10
Cross currency interest rate swaps					
– assets	(69,039)	125,386	28,733	96,653	–
– liabilities	1,177	(396)	143	(539)	–
Currency forwards					
– assets	(69)	(138)	(138)	–	–
	(84,502)	144,703	44,042	99,918	743
	3,571,083	(4,060,464)	(997,982)	(2,198,096)	(864,386)
2022					
Non-derivative financial liabilities					
Floating rate loans	1,418,206	(1,614,125)	(361,148)	(1,013,224)	(239,753)
Fixed rate loans	539,564	(581,218)	(7,858)	(259,947)	(313,413)
Fixed rate notes	916,816	(1,005,888)	(128,718)	(705,256)	(171,914)
Lease liabilities	267,014	(364,230)	(19,522)	(81,919)	(262,789)
Trade and other payables ⁽¹⁾	240,896	(241,991)	(232,650)	(1,111)	(8,230)
	3,382,496	(3,807,452)	(749,896)	(2,061,457)	(996,099)
Derivative financial instruments					
Interest rate swaps					
– assets	(34,958)	39,306	16,613	20,489	2,204
– liabilities	5	(6)	(6)	–	–
Cross currency interest rate swaps					
– assets	(59,471)	101,426	36,044	65,382	–
– liabilities	7,749	11,835	7,180	4,655	–
	(86,675)	152,561	59,831	90,526	2,204
	3,295,821	(3,654,891)	(690,065)	(1,970,931)	(993,895)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The interest payments on the Stapled Group's sustainability-linked notes take into consideration the Stapled Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Stapled Group expects that it can no longer meet this target.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group and their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Foreign currency risk

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have exposure to foreign currency risk as a result of its operations in several countries. The currencies giving rise to this risk are Singapore Dollar ("SGD"), Australian Dollar ("AUD"), Chinese Renminbi ("RMB"), Euro ("EUR"), Sterling Pound ("GBP"), Hong Kong Dollar ("HKD"), Indonesian Rupiah ("IDR"), Korean Won ("KRW"), Japanese Yen ("JPY"), Malaysian Ringgit ("MYR"), Philippine Peso ("PHP"), US Dollar ("USD") and Vietnam Dong ("VND").

In order to manage the foreign currency risk, the Managers adopt foreign currency risk management strategies that include:

- entering into foreign currency forward contracts to hedge the foreign currency income from the overseas assets;
- the use of certain foreign currency denominated borrowings to match the capital values of the overseas assets as a natural hedge, whenever possible; and
- the use of certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from the Stapled Group's net investments in certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

The exposures to foreign currencies risk (excluding cross currency interest rate swaps that are designated as a hedge of net investments in foreign operations) as reported to the management of the CapitalLand Ascott REIT Group, the CapitalLand Ascott BT Group and the Stapled Group were as follows:

	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
CapitalLand Ascott REIT Group													
31 December 2023													
Loan receivables - associate	-	-	-	-	-	-	-	-	-	-	3,528	-	3,528
Trade and other receivables ⁽¹⁾	12,506	4,559	1,362	25,471	3,694	-	659	13,146	167	5,846	11,476	1,304	80,190
Intra-group receivables	47	36,012	5,431	240,057	213,017	-	-	106,365	10,445	525	(8)	3	611,894
Cash and cash equivalents	19,979	43,771	13,864	81,959	44,595	-	4,045	85,510	1,009	13,859	49,468	11,312	369,371
Trade and other payables ⁽²⁾	(35,368)	(10,620)	(7,964)	(59,499)	(81,226)	(13,415)	(4,392)	(12,820)	(983)	(4,294)	(29,652)	(6,071)	(266,304)
Intra-group payables	(1,792)	(10)	-	-	-	-	-	-	-	(524)	(70)	-	(2,396)
Financial liabilities	(853,842)	-	(15,917)	(278,989)	(306,744)	-	-	(715,583)	-	-	(743,903)	-	(2,914,978)
Lease liabilities	-	-	(10,955)	-	(2,687)	-	-	-	-	(15,062)	(235,261)	-	(263,965)
Gross currency exposure	(858,470)	73,712	(14,179)	8,999	(129,351)	(13,415)	312	(523,382)	10,638	350	(944,422)	6,548	(2,382,660)
Add/(less): Net exposure denominated in the respective entities' functional currencies	856,774	(26,104)	6,107	(46,419)	135,677	8	(417)	412,391	(386)	(101)	908,193	(6,548)	2,239,175
Add: Loan designated for net investment hedge ⁽³⁾	-	-	-	279,054	141,176	-	-	210,858	-	-	-	-	631,088
Net exposure	(1,696)	47,608	(8,072)	241,634	147,502	(13,407)	(105)	99,867	10,252	249	(36,229)	-	487,603

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

CapitalLand Ascott REIT Group	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
31 December 2022													
Loan receivables - associate	-	-	-	-	-	-	-	-	-	-	3,585	-	3,585
Trade and other receivables ⁽¹⁾	14,845	4,521	1,920	31,012	4,374	-	750	12,786	144	3,254	11,586	1,469	86,661
Intra-group receivables	47	34,099	5,088	257,798	121,154	-	-	114,257	10,456	444	267	2	543,612
Cash and cash equivalents	17,341	19,142	15,155	44,750	42,713	1	3,125	77,671	838	17,388	53,380	7,747	299,251
Trade and other payables ⁽²⁾	(29,751)	(9,475)	(8,190)	(61,602)	(11,965)	(13,598)	(2,371)	(12,047)	(737)	(8,931)	(27,468)	(5,854)	(191,989)
Intra-group payables	(2,414)	(10)	-	-	-	-	-	-	-	(266)	(67)	-	(2,757)
Financial liabilities	(719,567)	(46,391)	(17,487)	(206,254)	(35,137)	-	-	(777,427)	-	-	(812,894)	(560)	(2,615,717)
Lease liabilities	-	-	(11,724)	-	-	-	-	-	-	(15,232)	(240,058)	-	(267,014)
Gross currency exposure	(719,499)	1,866	(15,238)	65,704	121,139	(13,597)	1,504	(584,760)	10,701	(3,343)	(1,011,669)	2,804	(2,144,368)
Add/(less): Net exposure denominated in the respective entities' functional currencies	716,771	(14,588)	17,917	(15,184)	(32,892)	12	(1,504)	412,357	(400)	3,691	909,428	(2,804)	1,992,804
Add: Loan designated for net investment hedge ⁽³⁾	-	-	-	206,377	35,137	-	-	283,094	-	-	-	-	524,608
Add: Cross currency interest rate swap	-	-	-	-	-	-	-	-	-	-	69,739	-	69,739
Net exposure	(2,728)	(12,702)	2,679	256,897	123,384	(13,585)	-	110,691	10,301	348	(32,502)	-	442,783

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

CapitaLand Ascott BT Group	Singapore Dollar \$'000	Australian Dollar \$'000	Euro \$'000	Japanese Yen \$'000	Korean Won \$'000	US Dollar \$'000	Total foreign currencies \$'000
31 December 2023							
Trade and other receivables ⁽¹⁾	593	5,152	370	1,498	2,959	38	10,610
Intra-group receivables	-	151,659	-	34,382	-	-	186,041
Cash and cash equivalents	5,842	16,504	7,693	19,676	13,619	101	63,435
Trade and other payables ⁽²⁾	(8,153)	(11,454)	(34,455)	(6,327)	(5,148)	(54)	(65,591)
Financial liabilities	753	-	(50,720)	(905)	(33,240)	(49,271)	(133,383)
Gross currency exposure	(965)	161,861	(77,112)	48,324	(21,810)	(49,186)	61,112
Add/(less): Net exposure denominated in the respective entities' functional currencies	965	(4,550)	77,112	(13,464)	29,067	-	89,130
Add: Cross currency interest rate swap	-	-	-	-	-	34,302	34,302
Net exposure	-	157,311	-	34,860	7,257	(14,884)	184,544
31 December 2022							
Trade and other receivables ⁽¹⁾	617	7,293	-	376	1,414	42	9,742
Intra-group receivables	-	141,715	-	36,995	105	-	178,815
Cash and cash equivalents	3,618	33,462	-	17,905	9,185	213	64,383
Trade and other payables ⁽²⁾	327	(26,762)	-	(6,454)	(4,370)	(113)	(37,372)
Financial liabilities	34	(175,462)	-	(983)	(33,236)	(49,222)	(258,869)
Gross currency exposure	4,596	(19,754)	-	47,839	(26,902)	(49,080)	(43,301)
Add/(less): Net exposure denominated in the respective entities' functional currencies	(4,596)	166,139	-	(9,934)	30,733	-	182,342
Net exposure	-	146,385	-	37,905	3,831	(49,080)	139,041

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

Stapled Group	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	Korean Won \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
31 December 2023														
Loan receivables – associate	-	-	-	-	-	-	-	-	-	-	-	3,528	-	3,528
Trade and other receivables ⁽¹⁾	13,099	9,711	1,362	25,841	3,694	-	659	14,644	167	5,846	2,959	11,514	1,304	90,800
Intra-group receivables	47	187,671	5,431	240,057	213,017	-	-	140,747	10,445	525	-	(8)	3	797,935
Cash and cash equivalents	25,821	60,275	13,864	89,652	44,595	-	4,045	105,186	1,009	13,859	13,619	49,569	11,312	432,806
Trade and other payables ⁽²⁾	(43,521)	(22,074)	(7,964)	(93,954)	(81,226)	(13,415)	(4,392)	(19,147)	(983)	(4,294)	(5,148)	(29,706)	(6,071)	(331,895)
Intra-group payables	(1,792)	(10)	-	-	-	-	-	-	-	(524)	-	(70)	-	(2,396)
Financial liabilities	(853,089)	-	(15,917)	(329,709)	(306,744)	-	-	(716,488)	-	-	(33,240)	(793,174)	-	(3,048,361)
Lease liabilities	-	-	(10,955)	-	(2,687)	-	-	-	-	(15,062)	-	(235,261)	-	(263,965)
Gross currency exposure	(859,435)	235,573	(14,179)	(68,113)	(129,351)	(13,415)	312	(475,058)	10,638	350	(21,810)	(993,608)	6,548	(2,321,548)
Add/(less): Net exposure denominated in the respective entities' functional currencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Loan designated for net investment hedge ⁽³⁾	857,739	(30,654)	6,107	30,693	135,677	8	(417)	398,927	(386)	(101)	29,067	908,193	(6,548)	2,328,305
Add: Cross currency interest rate swap	-	-	-	-	141,176	-	-	210,858	-	-	-	-	-	631,088
Net exposure	(1,696)	204,919	(8,072)	241,634	147,502	(13,407)	(105)	134,727	10,252	249	7,257	(51,113)	-	672,147

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

Stapled Group	Singapore Dollar \$'000	Australian Dollar \$'000	Chinese Renminbi \$'000	Euro \$'000	Sterling Pound \$'000	Hong Kong Dollar \$'000	Indonesian Rupiah \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Philippine Peso \$'000	Korean Won \$'000	US Dollar \$'000	Vietnam Dong \$'000	Total foreign currencies \$'000
31 December 2022														
Loan receivables – associate	-	-	-	-	-	-	-	-	-	-	-	3,585	-	3,585
Trade and other receivables ⁽¹⁾	15,462	11,814	1,920	31,012	4,374	-	750	13,162	144	3,254	1,414	11,628	1,469	96,403
Intra-group receivables	47	175,814	5,088	257,798	121,154	-	-	151,252	10,456	444	105	267	2	722,427
Cash and cash equivalents	20,959	52,604	15,155	44,750	42,713	1	3,125	95,576	838	17,388	9,185	53,593	7,747	363,634
Trade and other payables ⁽²⁾	(29,424)	(86,237)	(8,190)	(61,602)	(11,965)	(13,588)	(2,371)	(18,501)	(737)	(8,931)	(4,370)	(27,581)	(5,854)	(229,361)
Intra-group payables	(2,414)	(10)	-	-	-	-	-	-	-	(266)	-	(67)	-	(2,757)
Financial liabilities	(719,533)	(221,853)	(17,487)	(206,254)	(35,137)	-	-	(778,410)	-	-	(33,236)	(862,116)	(560)	(2,874,586)
Lease liabilities	-	-	(11,724)	-	-	-	-	-	-	(15,232)	-	(240,058)	-	(267,014)
Gross currency exposure	(714,903)	(17,868)	(15,238)	65,704	121,139	(13,597)	1,504	(536,921)	10,701	(3,343)	(26,902)	(1,060,749)	2,804	(2,187,669)
Add/(less): Net exposure denominated in the respective entities' functional currencies	712,175	151,551	17,917	(15,184)	(32,892)	12	(1,504)	402,423	(400)	3,691	30,733	909,428	(2,804)	2,175,146
Add: Loan designated for net investment hedge ⁽³⁾	-	-	-	206,377	35,137	-	-	283,094	-	-	-	-	-	524,608
Add: Cross currency interest rate swap	-	-	-	-	-	-	-	-	-	-	-	69,739	-	69,739
Net exposure	(2,728)	133,683	2,679	256,897	123,384	(13,585)	-	148,596	10,301	348	3,831	(81,582)	-	581,824

(1) Excluding prepayments.

(2) Excluding advance rental and liability for employee benefits.

(3) Stated at face value (excluding unamortised transaction costs).

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Stapled Group entities' Statements of Financial Position measured in the respective functional currencies, translated into Singapore dollars at the exchange rate at the reporting date for presentation purposes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

Sensitivity analysis

The following table indicates the approximate increase/(decrease) in the Statement of Total Return of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group in response to a 10% increase in foreign exchange rates to which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group has significant exposure at the reporting date as compared to the functional currencies of the respective entities. The sensitivity analysis includes balances in group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore Dollar ⁽¹⁾	(170)	(273)	-	-	(170)	(273)
Australian Dollar ⁽²⁾	4,761	(1,270)	15,731	14,639	20,492	13,369
Chinese Renminbi ⁽²⁾	(807)	268	-	-	(807)	268
Euro ⁽²⁾	24,163	25,690	-	-	24,163	25,690
Sterling Pound ⁽²⁾	14,750	12,338	-	-	14,750	12,338
Hong Kong Dollar ⁽²⁾	(1,341)	(1,359)	-	-	(1,341)	(1,359)
Indonesian Rupiah ⁽⁴⁾	(11)	-	-	-	(11)	-
Japanese Yen ⁽³⁾	9,987	11,069	3,486	3,791	13,473	14,860
Malaysian Ringgit ⁽²⁾	1,025	1,030	-	-	1,025	1,030
Philippine Peso ⁽²⁾	25	35	-	-	25	35
Korean Won ⁽²⁾	-	-	726	383	726	383
US Dollar ⁽⁴⁾	(3,623)	(3,250)	(1,488)	(4,908)	(5,111)	(8,158)

(1) As compared to functional currencies of Chinese Renminbi and US Dollar.

(2) As compared to functional currency of Singapore Dollar.

(3) As compared to functional currencies of Singapore Dollar and Chinese Renminbi.

(4) As compared to functional currencies of Singapore Dollar, Chinese Renminbi, Indonesian Rupiah, Philippine Peso, Hong Kong Dollar and Vietnam Dong.

A decrease in foreign exchange rates to which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have significant exposure at the reporting date as compared to the functional currencies of the respective entities would have had the equal but opposite effect on the above currencies to the amounts shown above. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Stapled Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group adopt a policy of ensuring that up to 80% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

At 31 December 2023, the Stapled Group has interest rate swaps classified as cash flow hedges with notional contractual amount of \$832.1 million (2022: \$587.5 million) which pay fixed interest rates averaging 2.45% to 2.78% (2022: 0.30% to 1.21%) per annum and receive variable rates on the notional amount and cross currency interest rate swaps classified as cash flow hedge with notional contractual amount of \$124.6 million (2022: \$194.9 million) which pay fixed interest rates and receive variable rates.

The Stapled Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Stapled Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Stapled Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% effective. Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Carrying amount					
	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments						
Financial liabilities	(1,539,183)	(1,422,161)	(34,146)	(34,219)	(1,573,329)	(1,456,380)
Variable rate instruments						
Financial liabilities	(1,375,795)	(1,193,556)	(99,237)	(224,650)	(1,475,032)	(1,418,206)

To manage its exposure to interest rate movements on its variable rate financial liabilities, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group enter into interest rate swaps and cross currency interest rate swaps. The following cross currency interest rate swaps are used to exchange:

- floating rate interest on USD loan of USD25.4 million (2022: USD76.3 million) for fixed rate JPY interest; and
- floating rate interest on SGD loan of SGD90.3 million (2022: SGD90.3 million) for fixed rate JPY interest.

The hedge relationships for which hedge accounting have been adopted are effective in the financial year ended 31 December 2023 and 31 December 2022.

Fair value sensitivity analysis for fixed rate instruments

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group do not account for any fixed rate financial liabilities at fair value through total return, and the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group do not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect the Statement of Total Return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rate at the reporting date would increase/(decrease) Stapled Securityholders' funds and Statement of Total Return by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Statement of Total Return		Stapled Securityholders' funds	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$'000	\$'000	\$'000	\$'000
CapitaLand Ascott REIT Group				
31 December 2023				
Variable rate financial liabilities	(13,819)	13,819	-	-
Interest rate swaps/Cross currency interest rate swaps	8,224	(8,224)	1,762	(1,762)
Cash flow sensitivity (net)	(5,595)	5,595	1,762	(1,762)
31 December 2022				
Variable rate financial liabilities	(12,007)	12,007	-	-
Interest rate swaps/Cross currency interest rate swaps	6,166	(6,166)	1,328	(1,328)
Cash flow sensitivity (net)	(5,841)	5,841	1,328	(1,328)
CapitaLand Ascott BT Group				
31 December 2023				
Variable rate financial liabilities	(999)	999	-	-
Interest rate swaps/Cross currency interest rate swaps	671	(671)	164	(164)
Cash flow sensitivity (net)	(328)	328	164	(164)
31 December 2022				
Variable rate financial liabilities	(2,249)	2,249	-	-
Interest rate swaps/Cross currency interest rate swaps	1,657	(1,657)	409	(409)
Cash flow sensitivity (net)	(592)	592	409	(409)
Stapled Group				
31 December 2023				
Variable rate financial liabilities	(14,818)	14,818	-	-
Interest rate swaps/Cross currency interest rate swaps	8,895	(8,895)	1,926	(1,926)
Cash flow sensitivity (net)	(5,923)	5,923	1,926	(1,926)
31 December 2022				
Variable rate financial liabilities	(14,256)	14,256	-	-
Interest rate swaps/Cross currency interest rate swaps	7,823	(7,823)	1,737	(1,737)
Cash flow sensitivity (net)	(6,433)	6,433	1,737	(1,737)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting

At 31 December 2023, the CapitalLand Ascott REIT Group, the CapitalLand Ascott BT Group and the Stapled Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Weighted average hedge rate	Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000		
CapitalLand Ascott REIT Group								
Cash flow hedges								
<i>Interest rate risk</i>								
- Interest rate swaps to hedge floating rate borrowings	799,304	17,137	Derivative financial instruments	771	(771)	-	2.45%	2024 - 2029
- USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	-	-(1)	Derivative financial instruments	860	(860)	-	-	-
- SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	913	Derivative financial instruments	(1,127)	1,127	-	5.41%	2025
<i>Foreign exchange risk</i>								
- USD floating rate loan designated under the USD/JPY cross currency interest rate swap	-	-(1)	Borrowings	2,503	(2,503)	-	-	-

(1) During the year, the USD/JPY cross currency interest rate swap has matured, and the USD floating rate loan was repaid.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitaLand Ascott REIT Group							
Net investment hedges							
<i>Foreign exchange risk</i>							
- Borrowings to hedge net investments in foreign operations	-	(629,235)	Borrowings	10,391	(10,391)	-	2024 - 2029
- Cross currency interest rate swaps to hedge net investments in foreign operations	686,664	41,850	Derivative financial instruments	29,214	(29,214)	-	2024 - 2028 EUR 1:\$1.49 JPY100.07:\$1
- USD/JPY cross currency interest rate swap to hedge JPY net investments	-	-	Derivative financial instruments	5,548	(5,548)	-	-
- SGD/JPY cross currency interest rate swap to hedge JPY net investments	(2)	24,890	Derivative financial instruments	6,279	(6,279)	-	2025 JPY77.52:\$1

(2) Contractual notional amount of the SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness			Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000
CapitalLand Ascott BT Group						
Cash flow hedges						
<i>Interest rate risk</i>						
- Interest rate swaps to hedge floating rate borrowings	32,813	(566)	Derivative financial instruments	(1,251)	1,251	-
- USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	34,302	83	Derivative financial instruments	232	(232)	-
						2026 - 2028
						2025
Net investment hedges						
<i>Foreign exchange risk</i>						
- USD/JPY cross currency interest rate swap to hedge JPY net investments	-(1)	126	Derivative financial instruments	412	(412)	-
						JPY141:USD1
						2025

(1) Contractual notional amount of the USD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
Stapled Group							
Cash flow hedges							
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	832,117	16,571	Derivative financial instruments	(483)	483	-	2024 - 2029
- USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	34,302	83	Derivative financial instruments	1,092	(1,092)	-	2025
- SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	913	Derivative financial instruments	(1,127)	1,127	-	2025
<i>Foreign exchange risk</i>							
- USD floating rate loan designated under the USD/JPY cross currency interest rate swap	-	-(1)	Borrowings	2,503	(2,503)	-	-

(1) During the year, the USD floating rate loan was repaid.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
Stapled Group							
Net investment hedges							
<i>Foreign exchange risk</i>							
- Borrowings to hedge net investments in foreign operations	-	(629,235)	Borrowings	10,391	(10,391)	-	2024 - 2029
- Cross currency interest rate swaps to hedge net investments in foreign operations	686,664	41,850	Derivative financial instruments	29,214	(29,214)	-	EUR 1:\$1.49 JPY100.07:\$1
- USD/JPY cross currency interest rate swap to hedge JPY net investments	-(2)	126	Derivative financial instruments	5,960	(5,960)	-	JPY141:USD1
- SGD/JPY cross currency interest rate swap to hedge JPY net investments	-(2)	24,890	Derivative financial instruments	6,279	(6,279)	-	JPY77.52:\$1

(2) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

At 31 December 2022, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitaLand Ascott REIT Group							
Cash flow hedges							
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	456,560	31,929	Derivative financial instruments	33,112	(33,112)	-	1.21% 2023 - 2029
- USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	69,739	488	Derivative financial instruments	1,644	(1,644)	-	2.91% 2023
- SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	2,040	Derivative financial instruments	1,229	(1,229)	-	2.37% 2025
<i>Foreign exchange risk</i>							
- USD floating rate loan designated under the USD/JPY cross currency interest rate swap	-	(69,629)	Borrowings	(884)	884	-	- 2023

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitaLand Ascott REIT Group							
Net investment hedges							
Foreign exchange risk							
- Borrowings to hedge net investments in foreign operations	-	(524,001)	Borrowings	9,283	(9,283)	-	2023 - 2029
- Cross currency interest rate swaps to hedge net investments in foreign operations	585,000	20,693	Derivative financial instruments	26,848	(26,848)	-	EUR 1:\$1.54 JPY97.80:\$1
- USD/JPY cross currency interest rate swap to hedge JPY net investments	- (1)	10,701	Derivative financial instruments	7,068	(7,068)	-	JPY83.20:\$1
- SGD/JPY cross currency interest rate swap to hedge JPY net investments	- (1)	18,610	Derivative financial instruments	10,516	(10,516)	-	JPY77.52:\$1

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
CapitaLand Ascott BT Group							
Cash flow hedges							
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	130,906	3,024	Derivative financial instruments	3,425	(3,425)	-	2023
- USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	34,817	(166)	Derivative financial instruments	(175)	175	-	2023
Net investment hedges							
<i>Foreign exchange risk</i>							
- USD/JPY cross currency interest rate swap to hedge JPY net investments	-(1)	(644)	Derivative financial instruments	(644)	644	-	2023

(1) Contractual notional amount of the USD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	
Stapled Group							
Cash flow hedges							
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	587,466	34,953	Derivative financial instruments	36,559	(36,559)	-	2023 - 2029
- USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	104,556	322	Derivative financial instruments	1,469	(1,469)	-	2023
- SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	2,040	Derivative financial instruments	1,229	(1,229)	-	2025
<i>Foreign exchange risk</i>							
- USD floating rate loan designated under the USD/JPY cross currency interest rate swap	-	(69,629)	Borrowings	(884)	884	-	2023

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness					Maturity date
	Contractual notional amount \$'000	Assets/(Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in Statement of Total Return \$'000	Weighted average hedge rate	
Stapled Group								
Net investment hedges								
<i>Foreign exchange risk</i>								
- Borrowings to hedge net investments in foreign operations	-	(524,001)	Borrowings	9,283	(9,283)	-	-	2023 - 2029
- Cross currency interest rate swaps to hedge net investments in foreign operations	585,000	20,693	Derivative financial instruments	26,848	(26,848)	-	EUR 1:\$1.54 JPY97.80:\$1	2023 - 2027
- USD/JPY cross currency interest rate swap to hedge JPY net investments	-(1)	10,057	Derivative financial instruments	6,424	(6,424)	-	JPY83.20:\$1 JPY135:USD1	2023
- SGD/JPY cross currency interest rate swap to hedge JPY net investments	-(1)	18,610	Derivative financial instruments	10,516	(10,516)	-	JPY77.52:\$1	2025

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

The following table provides a reconciliation by risk category of components of Stapled Securityholders' funds resulting from cash flow hedge accounting.

Hedging reserve	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance as at 1 January	33,964	(42)	3,428	1,470	37,430	1,444
Cash flow hedges						
Change in fair value						
- Interest rate risk	504	35,985	(1,019)	3,250	(518)	39,257
- Foreign exchange risk	2,503	(884)	-	-	2,503	(884)
Amounts reclassified to Statement of Total Return						
- Interest rate risk	(15,369)	(1,095)	(2,673)	(1,292)	(18,069)	(2,387)
Balance as at 31 December	21,602	33,964	(264)	3,428	21,346	37,430

Net investment hedge

A foreign currency exposure arises from the Stapled Group's net investment in its subsidiaries in Europe and Japan that has a EUR, GBP and JPY functional currency respectively. The risk arises from the fluctuation in spot exchange rates between the EUR, GBP, JPY and SGD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedges are the risk of a weakening EUR, GBP and JPY against the SGD that will result in a reduction in the carrying amount of the Stapled Group's net investment in its subsidiaries in Europe and Japan.

Part of the Stapled Group's net investments in certain subsidiaries in Europe and Japan are hedged through the use of EUR, GBP and JPY denominated borrowings.

The Stapled Group also entered into cross currency interest rate swaps to swap fixed rate SGD medium term notes for fixed rate EUR and JPY obligations. The SGD medium term notes, which together with the cross currency interest rate swap arrangement, have been used to hedge the Stapled Group's foreign currency risk on the net investment in the subsidiaries in Europe and Japan.

The Stapled Group has also designated USD and SGD denominated borrowings, together with certain cross currency interest rate swaps, to hedge its net investment in the subsidiaries in Japan.

Cross currency interest rate swaps were entered into to swap floating rate USD loan and floating rate SGD loan for fixed rate JPY obligations. The JPY portion of this cross currency interest rate swap have been designated as a hedge of the Stapled Group's foreign currency risk on the net investment in the subsidiaries in Japan. The USD floating rate loan and SGD floating rate loan, together with the swap of the floating USD interest and floating SGD interest for fixed JPY interest under the cross currency interest rate swap, is designated as a cash flow hedge. During the year, the USD/JPY cross currency interest rate swap has matured, and the USD floating rate loan was repaid.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Net investment hedge (continued)

As at the reporting date, the carrying amount of these borrowings was \$629,235,000 (2022: \$524,001,000) and the fair value of the borrowings was \$634,785,000 (2022: \$529,983,000). The net investment hedges were effective during the year. The Stapled Group's investments in other subsidiaries are not hedged.

The Stapled Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount. The Stapled Group assess the effectiveness of each hedging relationship by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Stapled Group's Statement of Financial Position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the Statement of Financial Position.

The Stapled Group's derivative transactions that are not transacted on an exchange are entered into under ISDA Master Netting Agreements. In general, under such agreements, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Stapled Group or the counterparties. In addition, the Stapled Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement

	Gross amount of recognised financial assets/ (liabilities)	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position	Related amount not offset in the Statement of Financial Position	Net amount \$'000
CapitalLand Ascott REIT Group	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023					
Financial assets					
Interest rate swaps	23,060	-	23,060	-	23,060
Cross currency interest rate swaps	68,830	-	68,830	-	68,830
Currency forwards	69	-	69	-	69
Trade and other receivables	11,366	(11,366)	-	-	-
Financial liabilities					
Interest rate swaps	(5,923)	-	(5,923)	-	(5,923)
Cross currency interest rate swaps	(1,177)	-	(1,177)	-	(1,177)
Trade and other payables	(13,242)	11,366	(1,876)	-	(1,876)
31 December 2022					
Financial assets					
Interest rate swaps	31,934	-	31,934	-	31,934
Cross currency interest rate swaps	59,471	-	59,471	-	59,471
Trade and other receivables	11,536	(11,536)	-	-	-
Financial liabilities					
Interest rate swaps	(5)	-	(5)	-	(5)
Cross currency interest rate swaps	(6,939)	-	(6,939)	-	(6,939)
Trade and other payables	(13,420)	11,536	(1,884)	-	(1,884)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement (continued)

	Gross amount of recognised financial assets/ (liabilities)	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position	Related amount not offset in the Statement of Financial Position	Net amount \$'000
CapitaLand Ascott BT Group	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023					
Financial assets					
Cross currency interest rate swaps	209	-	209	-	209
Financial liabilities					
Interest rate swaps	(566)	-	(566)	-	(566)
31 December 2022					
Financial assets					
Interest rate swaps	3,024	-	3,024	-	3,024
Financial liabilities					
Cross currency interest rate swaps	(810)	-	(810)	-	(810)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement (continued)

	Gross amount of recognised financial assets/ (liabilities)	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position	Related amount not offset in the Statement of Financial Position	Net amount \$'000
Stapled Group	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023					
Financial assets					
Interest rate swaps	23,060	-	23,060	-	23,060
Cross currency interest rate swaps	69,039	-	69,039	-	69,039
Currency forwards	69	-	69	-	69
Trade and other receivables	11,366	(11,366)	-	-	-
Financial liabilities					
Interest rate swaps	(6,489)	-	(6,489)	-	(6,489)
Cross currency interest rate swaps	(1,177)	-	(1,177)	-	(1,177)
Trade and other payables	(13,242)	11,366	(1,876)	-	(1,876)
31 December 2022					
Financial assets					
Interest rate swaps	34,958	-	34,958	-	34,958
Cross currency interest rate swaps	59,471	-	59,471	-	59,471
Trade and other receivables	11,536	(11,536)	-	-	-
Financial liabilities					
Interest rate swaps	(5)	-	(5)	-	(5)
Cross currency interest rate swaps	(7,749)	-	(7,749)	-	(7,749)
Trade and other payables	(13,420)	11,536	(1,884)	-	(1,884)

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the Statements of Financial Position that are disclosed in the above tables are measured in the Statements of Financial Position on the following basis:

- cross currency interest rate swaps, currency forwards and interest rate swaps – fair value; and
- trade and other receivables and trade and other payables – amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 RELATED PARTIES

In the normal course of the operations of the CapitaLand Ascott REIT Group, the REIT Manager's management fees and the REIT Trustee's fees have been paid or are payable to the REIT Manager and the REIT Trustee, respectively.

In the normal course of the operations of the CapitaLand Ascott BT Group, the BT Trustee-Manager's management fees and the BT Trustee-Manager's trustee fees have been paid or are payable to the BT Trustee-Manager.

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions, which were carried out in the normal course of business on arm's length commercial terms:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Acquisition fees paid/payable to the REIT Manager	4,469	3,524	-	-	4,469	3,524
Acquisition fees paid/payable to the BT Trustee-Manager	-	-	1,023	-	1,023	-
Amortisation of deferred income	(106)	-	-	-	(106)	-
Divestment fees paid/payable to the REIT Manager	325	6	-	-	325	6
Rental income received/receivable from related corporations	(2,915)	(3,259)	(680)	-	(3,595)	(3,259)
Rental income received/receivable from master lease arrangements with related corporations	(39,069)	(51,566)	-	-	(39,069)	(51,566)
Rental income received/receivable from master lease arrangements with the CapitaLand Ascott BT Group	(13,545)	(14,554)	-	-	-	-
Serviced residence management fees paid/payable to related corporations	19,102	12,861	376	215	19,478	13,076
Service fee paid/payable to related corporations	22,154	18,298	708	506	22,862	18,804

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

35 FINANCIAL RATIOS

	CapitaLand Ascott REIT Group		Stapled Group	
	2023	2022	2023	2022
	%	%	%	%
Ratio of expenses to average net asset value ⁽¹⁾				
- including performance component of the REIT Manager's management fees	1.07	0.98	1.11	1.01
- excluding performance component of the REIT Manager's management fees	0.79	0.76	0.83	0.78
Portfolio turnover rate ⁽²⁾	1.58	0.01	1.39	0.01

(1) The annualised ratio is computed in accordance with guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the CapitaLand Ascott REIT Group and the Stapled Group level, excluding property related expenses, borrowing costs and foreign exchange gains/(losses).

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying properties of the CapitaLand Ascott REIT Group and the Stapled Group expressed as a percentage of weighted average net asset value.

36 OPERATING SEGMENTS

Segment information is presented in respect of the geographical segments of the Stapled Group. The operations of each of the Stapled Group's geographical segments are separately managed because of the different economic environments in which they operate in. For each of the reportable segments, the CEO of the Managers review internal management reports on a monthly basis, at minimum, for strategic decision making, performance assessment and resource allocation purpose.

Performance measurement based on segment gross profit and non-financial assets as well as financial assets attributable to each segment is used as the Managers believe that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, corporate assets and expenses, and income tax expense. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the reportable segments of the Stapled Group is presented in the following tables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS

Information about reportable segments

Geographical segments

The principal business of the Stapled Group are investing in investment properties.

Stapled Group	Singapore \$'000	Australia \$'000	Belgium \$'000	China \$'000	France \$'000	Germany \$'000	Indonesia \$'000	Ireland \$'000	Japan \$'000	Subtotal \$'000
Year ended 31 December 2023										
Gross rental income	53,452	39,094	16,621	23,377	30,410	15,937	13,906	-	74,850	267,647
Hotel revenue	12,389	129,796	-	-	-	-	-	1,591	-	143,776
Other income	2,705	2,350	803	723	2,716	664	211	-	4,135	14,307
Gross revenue	68,546	171,240	17,424	24,100	33,126	16,601	14,117	1,591	78,985	425,730
Direct expenses	(39,767)	(121,223)	(11,712)	(18,573)	(3,296)	(1,803)	(9,352)	(1,084)	(26,714)	(233,524)
Segment gross profit	28,779	50,017	5,712	5,527	29,830	14,798	4,765	507	52,271	192,206
Net change in fair value of investment properties, investment properties under development and assets held for sale	52,404	773	17,829	(27,295)	5,161	22,708	1,810	-	35,175	108,565
Depreciation of buildings, plant and machinery	(4,716)	(19,788)	-	-	-	-	-	(116)	-	(24,620)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia \$'000	Philippines \$'000	South Korea \$'000	Spain \$'000	United Kingdom \$'000	United States of America \$'000	Vietnam \$'000	Subtotal \$'000	Total \$'000
Year ended 31 December 2023									
Gross rental income	3,666	20,735	8,450	9,833	61,443	168,598	34,925	307,650	575,297
Hotel revenue	-	-	-	-	-	-	-	-	143,776
Other income	80	1,582	-	493	927	6,525	1,571	11,178	25,485
Gross revenue	3,746	22,317	8,450	10,326	62,370	175,123	36,496	318,828	744,558
Direct expenses	(3,055)	(14,871)	(529)	(5,405)	(35,127)	(95,257)	(18,541)	(172,785)	(406,309)
Segment gross profit	691	7,446	7,921	4,921	27,243	79,866	17,955	146,043	338,249
Net change in fair value of investment properties, investment properties under development and assets held for sale	(3,633)	(3,787)	3,234	16,116	43,817	(37,536)	(25,644)	(7,433)	101,132
Depreciation of buildings, plant and machinery	-	-	-	-	-	-	-	-	(24,620)
Finance income									4,434
Finance costs									(86,830)
Profit from divestments									16,016
Unallocated net expense									(46,156)
Reportable segment profit before income tax									302,225
Income tax expense									(72,444)
Total return for the year									229,781

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Singapore \$'000	Australia \$'000	Belgium \$'000	China \$'000	France \$'000	Germany \$'000	Indonesia \$'000	Japan \$'000	Subtotal \$'000
Year ended 31 December 2022									
Gross rental income	46,380	34,491	11,259	22,336	25,167	12,783	13,601	54,613	220,630
Hotel revenue	4,511	118,568	-	-	-	-	-	-	123,079
Other income	484	2,799	702	678	2,078	589	155	2,956	10,441
Gross revenue	51,375	155,858	11,961	23,014	27,245	13,372	13,756	57,569	354,150
Direct expenses	(22,172)	(108,554)	(8,587)	(18,118)	(2,247)	(1,135)	(8,543)	(20,401)	(189,757)
Segment gross profit	29,203	47,304	3,374	4,896	24,998	12,237	5,213	37,168	164,393
Net change in fair value of investment properties, investment properties under development and assets held for sale	68,165	6,867	(3,368)	(14,364)	(3,188)	(1,968)	1,794	5,745	59,683
Depreciation of buildings, plant and machinery	(1,179)	(19,317)	-	-	-	-	-	-	(20,496)
Revaluation surplus on land and buildings	-	5,393	-	-	-	-	-	-	5,393

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia \$'000	Philippines \$'000	South Korea \$'000	Spain \$'000	United Kingdom \$'000	United States of America \$'000	Vietnam \$'000	Subtotal \$'000	Total \$'000
Year ended 31 December 2022									
Gross rental income	3,608	18,531	5,471	7,073	51,645	146,235	26,384	258,947	479,577
Hotel revenue	-	-	-	-	-	-	-	-	123,079
Other income	108	1,033	-	391	743	4,651	1,219	8,145	18,586
Gross revenue	3,716	19,564	5,471	7,464	52,388	150,886	27,603	267,092	621,242
Direct expenses	(2,753)	(14,072)	(509)	(3,976)	(29,524)	(84,249)	(13,584)	(148,667)	(338,424)
Segment gross profit	963	5,492	4,962	3,488	22,864	66,637	14,019	118,425	282,818
Net change in fair value of investment properties, investment properties under development and assets held for sale									
Depreciation of buildings, plant and machinery	37	1,024	2,964	(3,562)	16,019	57,223	(11,035)	62,670	122,353
Revaluation surplus on land and buildings	-	-	-	-	-	-	-	-	(20,496)
Finance income	-	-	-	-	-	-	-	-	5,393
Finance costs									1,468
Profit from divestments									(69,012)
Unallocated net expense									99
Reportable segment profit before income tax									(62,840)
Income tax expense									259,783
Total return for the year									(33,563)
									226,220

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Singapore \$'000	Australia \$'000	Belgium \$'000	China \$'000	France \$'000	Germany \$'000	Indonesia \$'000	Ireland \$'000	Japan \$'000	Subtotal \$'000
2023										
Assets and liabilities										
Reportable segment assets	1,476,508	1,023,004	80,315	255,519	661,014	264,557	150,820	123,137	1,403,488	5,438,362
Reportable segment liabilities	135,462	65,581	52,413	82,941	375,867	151,963	10,741	87,138	1,354,445	2,316,551
Other Segmental Information										
Capital expenditure:										
- investment properties	110	159	260	72	1,129	387	1,032	-	8,372	11,521
- property, plant and equipment	7,823	3,218	658	1,032	228	-	460	9,888	795	24,102
- investment properties under development	6,925	-	-	-	-	-	-	-	-	6,925
Depreciation	6,632	22,589	130	631	-	-	348	238	386	30,954
2022										
Assets and liabilities										
Reportable segment assets	1,369,143	1,018,501	61,586	294,934	633,664	242,631	94,245	-	1,408,562	5,123,266
Reportable segment liabilities	90,082	296,058	39,700	87,719	332,658	125,672	7,079	-	1,372,505	2,351,473
Other Segmental Information										
Capital expenditure:										
- investment properties	60	2,159	350	72	4,742	28	-	-	8,523	15,934
- property, plant and equipment	966	2,362	770	509	-	-	216	-	443	5,266
- investment properties under development	18,579	-	-	-	-	-	-	-	-	18,579
Depreciation	3,194	22,713	156	640	-	-	357	-	283	27,343

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia \$'000	Philippines \$'000	South Korea \$'000	Spain \$'000	United Kingdom \$'000	United States of America \$'000	Vietnam \$'000	Subtotal \$'000	Total \$'000
2023									
Assets and liabilities									
Reportable segment assets	36,528	150,040	171,070	74,232	942,584	1,708,742	209,267	3,292,463	8,730,825
Reportable segment liabilities	913	31,223	36,647	41,087	419,127	1,034,608	20,375	1,583,980	3,900,531
Other Segmental Information									
Capital expenditure:									
- investment properties	-	3	72	139	5,982	3,583	(212)*	9,567	21,088
- property, plant and equipment	169	680	-	214	4,454	3,859	1,842	11,218	35,320
- investment properties under development	-	-	-	-	-	35,418	-	35,418	42,343
Depreciation	71	1,286	-	81	1,063	4,022	1,420	7,943	38,897
2022									
Assets and liabilities									
Reportable segment assets	41,510	156,101	165,575	57,858	510,850	1,733,712	234,821	2,900,427	8,023,693
Reportable segment liabilities	702	31,088	37,292	26,568	57,589	1,050,345	23,841	1,227,425	3,578,898
Other Segmental Information									
Capital expenditure:									
- investment properties	-	(38)*	156	59	236	(3,273)*	358	(2,502)	13,432
- property, plant and equipment	19	601	-	95	874	5,293	339	7,221	12,487
- investment properties under development	-	-	-	-	-	6,638	-	6,638	25,217
Depreciation	63	1,604	-	81	1,133	4,220	1,329	8,430	35,773

* Negative due to reversal of over-provision of prior year's capital expenditure

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 OPERATING SEGMENTS (continued)

Major customers

Revenue from related corporations accounted for approximately \$39,069,000 (2022: \$51,566,000) of the gross revenue of the Stapled Group. Such revenue is attributable to the France segment and Germany segment (2022: France segment, Germany segment and Singapore segment).

37 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determining fair value

A number of the Stapled Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods and processes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial derivatives

The fair values of cross currency interest rate swaps, currency forwards and interest rate swaps are based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(ii) Non-derivative financial liabilities

The fair value of quoted interest-bearing borrowings is their quoted ask price at the reporting date. Fair value for unquoted interest-bearing borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value				
	Note	Mandatorily at FVTPL \$'000	Fair value - hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
CapitalLand Ascott REIT Group										
31 December 2023										
Financial assets measured at fair value										
Investment securities	7	2,454	-	-	-	2,454	-	-	2,454	2,454
Interest rate swaps used for hedging	12	-	23,060	-	-	23,060	-	23,060	-	23,060
Cross currency interest rate swaps used for hedging	12	-	68,830	-	-	68,830	-	68,830	-	68,830
Currency forwards	12	69	-	-	-	69	-	69	-	69
		2,523	91,890	-	-	94,413				
Financial assets not measured at fair value										
Loan to associate	11	-	-	3,528	-	3,528				
Trade and other receivables ⁽¹⁾	14	-	-	298,389	-	298,389				
Cash and cash equivalents	16	-	-	369,371	-	369,371				
		-	-	671,288	-	671,288				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	12	-	(5,923)	-	-	(5,923)	-	(5,923)	-	(5,923)
Cross currency interest rate swaps used for hedging	12	-	(1,177)	-	-	(1,177)	-	(1,177)	-	(1,177)
		-	(7,100)	-	-	(7,100)				
Financial liabilities not measured at fair value										
Bank loans	17	-	-	-	(1,893,742)	(1,893,742)	-	(1,893,921)	-	(1,893,921)
Medium term notes	17	-	-	-	(667,865)	(667,865)	-	(671,988)	-	(671,988)
Sustainability-linked notes	17	-	-	-	(353,371)	(353,371)	-	(354,908)	-	(354,908)
Trade and other payables ⁽²⁾	18	-	-	-	(268,303)	(268,303)				
		-	-	-	(3,183,281)	(3,183,281)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Capital and Ascott REIT Group		Carrying amount					Fair value			
		Mandatorily at FVTPL \$'000	Fair value - hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2022										
Financial assets measured at fair value										
Investment securities	7	2,416	-	-	-	2,416	-	-	2,416	2,416
	12	-	31,934	-	-	31,934	-	31,934	-	31,934
	12	-	59,471	-	-	59,471	-	59,471	-	59,471
		2,416	91,405	-	-	93,821				
Financial assets not measured at fair value										
Loan to associate	11	-	-	3,585	-	3,585				
Trade and other receivables ⁽¹⁾	14	-	-	243,270	-	243,270				
Cash and cash equivalents	16	-	-	299,251	-	299,251				
		-	-	546,106	-	546,106				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	12	-	(5)	-	-	(5)	-	(5)	-	(5)
Cross currency interest rate swaps used for hedging	12	-	(6,939)	-	-	(6,939)	-	(6,939)	-	(6,939)
		-	(6,944)	-	-	(6,944)				
Financial liabilities not measured at fair value										
Bank loans	17	-	-	-	(1,698,901)	(1,698,901)	-	(1,683,254)	-	(1,683,254)
Medium term notes	17	-	-	-	(548,917)	(548,917)	-	(551,309)	-	(551,309)
Sustainability-linked notes	17	-	-	-	(367,899)	(367,899)	-	(361,347)	-	(361,347)
Trade and other payables ⁽²⁾	18	-	-	-	(196,306)	(196,306)	-	-	-	-
Rental deposits (non-current)	18	-	-	-	(32)	(32)	-	(31)	-	(31)
		-	-	-	(2,812,055)	(2,812,055)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

CapitalLand Ascott BT Group	Note	Carrying amount			Fair value				
		Fair value - hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023									
Financial assets measured at fair value									
Cross currency interest rate swaps used for hedging									
	12	209	-	-	209	-	209	-	209
Financial assets not measured at fair value									
Trade and other receivables ⁽¹⁾									
	14	-	12,610	-	12,610				
Cash and cash equivalents									
	16	-	63,435	-	63,435				
		-	76,045	-	76,045				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging									
	12	(566)	-	-	(566)	-	(566)	-	(566)
Financial liabilities not measured at fair value									
Bank loans									
	17	-	-	(133,383)	(133,383)	-	(133,656)	-	(133,656)
Trade and other payables ⁽²⁾									
	18	-	-	(275,963)	(275,963)	-	-	-	-
Rental deposits (non-current)									
	18	-	-	(7,826)	(7,826)	-	(6,930)	-	(6,930)
		-	-	(417,172)	(417,172)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

	CapitalLand Ascott BT Group	Note	Fair value - hedging instruments			Carrying amount			Fair value		
			\$'000	Amortised cost	\$'000	Other financial liabilities	\$'000	Total	Level 1	Level 2	Level 3
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2022											
Financial assets measured at fair value											
Interest rate swaps used for hedging											
		12	3,024	-	-	-	-	3,024	-	3,024	-
Financial assets not measured at fair value											
Trade and other receivables ⁽¹⁾											
		14	-	14,091	-	-	-	14,091	-	-	-
Cash and cash equivalents											
		16	-	64,383	-	-	-	64,383	-	-	-
			-	78,474	-	-	-	78,474	-	-	-
Financial liabilities measured at fair value											
Cross currency interest rate swaps used for hedging											
		12	(810)	-	-	-	-	(810)	-	(810)	-
Financial liabilities not measured at fair value											
Bank loans											
		17	-	-	(258,869)	(258,869)	(258,869)	-	-	(258,673)	-
Trade and other payables ⁽²⁾											
		18	-	-	(185,767)	(185,767)	(185,767)	-	-	(7,109)	-
Rental deposits (non-current)											
		18	-	-	(8,215)	(8,215)	(8,215)	-	-	-	-
			-	-	(452,851)	(452,851)	(452,851)	-	-	-	-

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Stapled Group	Note	Carrying amount				Fair value				
		Mandatorily at FVTPL \$'000	Fair value - hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023										
Financial assets measured at fair value										
Interest rate swaps used for hedging	12	-	23,060	-	-	23,060	-	23,060	-	23,060
Cross currency interest rate swaps used for hedging	12	-	69,039	-	-	69,039	-	69,039	-	69,039
Currency forwards	12	69	-	-	-	69	-	69	-	69
		69	92,099	-	-	92,168				
Financial assets not measured at fair value										
Loan to associate	11	-	-	3,528	-	3,528				
Trade and other receivables ⁽¹⁾	14	-	-	90,800	-	90,800				
Cash and cash equivalents	16	-	-	432,806	-	432,806				
		-	-	527,134	-	527,134				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	12	-	(6,489)	-	-	(6,489)	-	(6,489)	-	(6,489)
Cross currency interest rate swaps used for hedging	12	-	(1,177)	-	-	(1,177)	-	(1,177)	-	(1,177)
		-	(7,666)	-	-	(7,666)				
Financial liabilities not measured at fair value										
Bank loans	17	-	-	-	(2,027,125)	(2,027,125)	-	(2,017,577)	-	(2,017,577)
Medium term notes	17	-	-	-	(667,865)	(667,865)	-	(671,988)	-	(671,988)
Sustainability-linked notes	17	-	-	-	(353,371)	(353,371)	-	(354,908)	-	(354,908)
Trade and other payables ⁽²⁾	18	-	-	-	(324,067)	(324,067)	-		-	
Rental deposits (non-current)	18	-	-	-	(7,826)	(7,826)	-	(6,930)	-	(6,930)
		-	-	-	(3,380,254)	(3,380,254)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Stapled Group	Note	Carrying amount			Fair value			
		Fair value - hedging instruments \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2022								
Financial assets measured at fair value								
Interest rate swaps used for hedging								
Cross currency interest rate swaps used for hedging								
	12	34,958	-	-	-	34,958	-	34,958
	12	59,471	-	-	-	59,471	-	59,471
		94,429	-	-				
Financial assets not measured at fair value								
Loan to associate								
	11	-	3,585	-				
Trade and other receivables ⁽¹⁾								
	14	-	96,403	-				
Cash and cash equivalents								
	16	-	363,634	-				
		-	463,622	-				
Financial liabilities measured at fair value								
Interest rate swaps used for hedging								
Cross currency interest rate swaps used for hedging								
	12	(5)	-	-	-	(5)	-	(5)
	12	(7,749)	-	-	-	(7,749)	-	(7,749)
		(7,754)	-	-				
Financial liabilities not measured at fair value								
Bank loans								
	17	-	-	(1,957,770)		(1,941,927)	-	(1,941,927)
Medium term notes								
	17	-	-	(548,917)	-	(551,309)	-	(551,309)
Sustainability-linked notes								
	17	-	-	(367,899)	-	(361,347)	-	(361,347)
Trade and other payables ⁽²⁾								
	18	-	-	(221,113)				
	18	-	-	(8,247)	-	(7,140)	-	(7,140)
		-	-	(3,103,946)				

(1) Excluding prepayments.

(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

38 ACQUISITION OF INVESTMENT PROPERTIES AND HOTEL

During the year ended 31 December 2023, the CapitaLand Ascott REIT Group acquired two properties, namely Eslead Residence Osaka Fukushima East and Granfore Hakata Waterfront, from unrelated third parties.

On 30 November 2023, the CapitaLand Ascott REIT Group acquired the following from related corporations:

- a 100% effective interest in the property, The Cavendish London, through the acquisition of 100% issued shares in Ascott St James (Jersey) Limited; and
- a 100% effective interest in the property, Ascott Kuningan Jakarta, through the acquisition of 100% issued shares in Ascott Kuningan (S) Pte. Ltd. and 100% issued shares in Ascott Tower (S) Pte. Ltd..

On 30 November 2023, the CapitaLand Ascott BT Group acquired Temple Bar Hotel from a related corporation.

The assets in the acquired entities largely consist of investment properties and property, plant and equipment without substantive processes. Substantially all of the fair value of the gross assets acquired is concentrated in the portfolio of the investment properties and hotel, which represents a group of similar identifiable assets. The Stapled Group applied the concentration test and the acquisition of the entities has been assessed and accounted for as an acquisition of assets in the financial statements.

During the year ended 31 December 2022, the CapitaLand Ascott REIT Group acquired four properties, namely Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Umeda Grande and Paloma Kent, from unrelated third parties.

On 30 November 2022, the CapitaLand Ascott REIT Group acquired the following from related corporations:

- a 100% effective interest in the property, La Clef Tour Eiffel Paris, through the acquisition of 100% issued shares in Ascott Holdings (France) SAS and 0.01% issued shares in Ascott Kleber SNC; and
- a 100% effective interest in the property, Somerset Central TD Hai Phong City, through the acquisition of 100% issued shares in Somerset Central TD Company Limited; and
- additional 45% effective interest in the property, Standard at Columbia, through the acquisition of 50% of the issued shares in Columbia PBSA Venture Pte. Ltd.; and
- 100% of the trust beneficial interests in a portfolio of five rental housing properties in Japan comprising House Saison Shijo-Dori, Marunouchi Central Heights, S-Residence Gakuenzaka, S-Residence Namba Viale and S-Residence Shukugawa; and
- Quest Cannon Hill.

The assets in the acquired entities largely consist of investment properties, property, plant and equipment, and investment properties under development without substantive processes. Substantially all of the fair value of the gross assets acquired is concentrated in the portfolio of the investment properties, which represents a group of similar identifiable assets. The CapitaLand Ascott REIT Group applied the concentration test and the acquisition of the entities has been assessed and accounted for as an acquisition of assets in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

38 ACQUISITION OF INVESTMENT PROPERTIES AND HOTEL (continued)

Asset acquisition: identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

CapitaLand Ascott REIT Group	Note	2023 \$'000	2022 \$'000
Investment properties	4	476,999	344,623
Property, plant and equipment	5	1,234	1,617
Investment properties under development	6	-	103,735
Trade and other receivables		1,939	2,030
Cash and cash equivalents		6,543	1,287
Financial liabilities		(167,081)	(113,354)
Trade and other payables		(7,534)	(18,860)
Current tax liabilities		(253)	98
Lease liabilities		(2,711)	-
Non-controlling interests		-	(5,752)
Total identifiable assets		309,136	315,424
Less: amount previously accounted for as joint venture, remeasured at fair value		-	(24,584)
Net identifiable assets acquired		309,136	290,840
Realisation of reserves previously accounted for as a joint venture		-	(1,299)
Total consideration		309,136	289,541
Less: Deposit paid in prior year		(1,875)	(798)
Less: Milestone payment		(62,582)	(28,428)
Add: Consideration to be refunded from vendor		-	2,442
Less: Cash and cash equivalents acquired		(6,543)	(1,287)
Net cash outflow on acquisition		238,136	261,470
CapitaLand Ascott BT Group	Note	2023 \$'000	2022 \$'000
Property, plant and equipment	5	102,298	-
Less: Milestone payment		(30,105)	-
Net cash outflow on acquisition		72,193	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

38 ACQUISITION OF INVESTMENT PROPERTIES AND HOTEL (continued)

Stapled Group	Note	2023 \$'000	2022 \$'000
Investment properties	4	476,999	344,623
Property, plant and equipment	5	103,532	1,617
Investment properties under development	6	-	103,735
Trade and other receivables		1,939	2,030
Cash and cash equivalents		6,543	1,287
Financial liabilities		(167,081)	(113,354)
Trade and other payables		(7,534)	(18,860)
Current tax liabilities		(253)	98
Lease liabilities		(2,711)	-
Non-controlling interests		-	(5,752)
Total identifiable assets		411,434	315,424
Less: amount previously accounted for as joint venture, remeasured at fair value		-	(24,584)
Net identifiable assets acquired		411,434	290,840
Realisation of reserves previously accounted for as a joint venture		-	(1,299)
Total consideration		411,434	289,541
Less: Deposit paid in prior year		(1,875)	(798)
Less: Milestone payment		(92,687)	(28,428)
Add: Consideration to be refunded from vendor		-	2,442
Less: Cash and cash equivalents acquired		(6,543)	(1,287)
Net cash outflow on acquisition		310,329	261,470

39 COMMITMENTS

Leases as lessor

The Stapled Group leases out some of its investment properties on long term arrangements. All leases are classified as operating leases from a lessor perspective. The leases have initial tenure ranging from three to 25 years, with options to renew for some of the leases. The operating lease receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for in the agreements.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Less than one year	57,114	54,806	27,061	29,229	73,259	72,077
One to two years	56,904	50,681	25,959	28,770	71,947	67,493
Two to three years	55,419	46,773	18,330	27,667	62,833	62,483
Three to four years	52,624	45,082	18,137	19,378	59,845	52,503
Four to five years	49,431	42,230	18,137	19,185	56,652	49,458
More than five years	238,416	231,294	67,622	91,254	259,645	259,772
Total	509,908	470,866	175,246	215,483	584,181	563,786

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

39 COMMITMENTS (continued)

Capital commitments

As at the reporting date, the Stapled Group had the following capital commitments:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments:						
- contracted but not provided for	117,955	146,102	14,763	2,431	132,718	148,533
- acquisition of investment properties ⁽¹⁾	67,092	131,388	-	-	67,092	131,388

(1) As at 31 December 2023, commitment for acquisition of investment properties relate to the acquisition of the trust beneficial interest in a turnkey rental housing property in Fukuoka from Sekisui House, Ltd. and Fukuoka Shoji, Co., Ltd., unrelated third parties for the purchase consideration of JPY8.0 billion (equivalent to \$74.5 million) derived based on the independent valuation of the property of JPY8.3 billion (equivalent to \$77.4 million) using the discounted cash flow method (completed on 24 January 2024).

As at 31 December 2022, commitment for acquisition of investment properties relate to the total purchase consideration of JPY13.9 billion (equivalent to \$141.5 million) for the acquisition of the trust beneficial interest in (a) one turnkey rental housing property in Osaka for the purchase consideration of JPY1.9 billion (equivalent to \$18.9 million) (completed in the second quarter of 2023); (b) one turnkey rental housing property in Fukuoka for the purchase consideration of JPY4.0 billion (equivalent to \$40.9 million) (completed in the second quarter of 2023); and (c) one turnkey rental housing property in Fukuoka for the purchase consideration of JPY8.0 billion (equivalent to \$81.7 million) (completed on 24 January 2024).

For the property, Standard at Columbia, there is a 10% stake held by an unrelated third party.

There is a call option for the remaining 10% stake exercisable by CLAS after the property achieves certain performance conditions within 24 months after completion of the development. There is a put option for the remaining 10% stake exercisable by the third party when CLAS does not exercise its call option by the end of 24 months after completion of the development.

This commitment has not been recognised in the Stapled Group's consolidated financial statements until the stabilisation conditions are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

40 SUBSEQUENT EVENTS

The acquisition of the turnkey rental housing property in Fukuoka known as Teriha Ocean Stage (which had been entered into in FY2022), was completed on 24 January 2024.

On 29 January 2024, the REIT Manager and BT Trustee-Manager declared a distribution of 3.095 cents per Stapled Security amounting to \$116,497,000 in respect of the period from 14 August 2023 to 31 December 2023.

On 31 January 2024, the Stapled Group completed the divestment of Courtyard by Marriott Sydney-North Ryde in Australia.

On 31 January 2024, the CapitaLand Ascott REIT Group entered into a conditional sale and purchase agreement with an unrelated third party to divest Citadines Mount Sophia Property Singapore for \$148.0 million. The divestment was completed on 1 March 2024.

On 27 February 2024, the REIT Manager and BT Trustee-Manager issued 12,052,564 Stapled Securities at an issue price of \$0.9766 per Stapled Security to the REIT Manager. These Stapled Securities were issued as partial payment of the base fee (as defined in the CapitaLand Ascott REIT Trust Deed) for the period from 1 October 2023 to 31 December 2023 and the performance fee for the period from 1 January 2023 to 31 December 2023.

On 27 February 2024, the REIT Manager and BT Trustee-Manager issued 695,489 Stapled Securities at an issue price of \$0.9766 per Stapled Security to the BT Trustee-Manager. These Stapled Securities were issued to the BT Trustee-Manager as partial payment of the base fee and performance fee (as defined in the CapitaLand Ascott BT Trust Deed) for the period from 1 October 2023 to 31 December 2023 and additional outperformance fee for the period from 1 January 2023 to 31 December 2023.