The Ascott Limited

Proposed divestment of 28 Serviced Residence Properties in Europe, Singapore and Vietnam

20 August 2010
Disclaimer

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.
## Transaction Summary

### Proposed Divestment
- 28 serviced residence properties in Europe and Asia for a sale consideration S$970 million\(^1\) and gain of approximately S$52 million\(^2\)

### Proposed Acquisition
- **Ascott Beijing**
  - Purchase consideration of S$214 million\(^3\)

### Proposed Subscription
- Undertake to subscribe to Ascott Residence Trust (Ascott Reit) Proposed Equity Fund Raising to maintain 47.7% stake in Ascott Reit
  - S$268 million based on illustrative issue price of S$1.15 per new unit and 487.5 million new units

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(1) Consists of the total appraised value of the properties of S$1,238 million\(^4\) and net current assets of S$157 million and less debts of S$422 million & minority interest of S$3 million (which will be adjusted at completion)

(2) After deferring a part of the gain in proportion to Ascott’s interest in Ascott Reit. Before the deferment, the estimated net gain is approximately S$100 million

(3) Consists of agreed purchase price of S$302 million and less consolidated net current liabilities of S$14 million and debt of S$74 million (which will be adjusted at completion)

(4) Based on the average of two independent valuations undertaken by Savills Commercial Properties Limited (appointed by Ascott Reit) and HVS International (appointed by Ascott)

Further details of the abovementioned transactions are set out in CapitaLand’s announcement dated 20 August (“Announcement”) and that this presentation should be read in conjunction with the full text of the Announcement, and does not constitute an offer to sell or to purchase securities, nor a solicitation of an offer to sell or purchase securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.
Agenda

1. Ascott Divests 28 Europe and Asia Properties

2. Ascott Acquires Ascott Beijing, China

3. Conclusion
Divests 28 Properties To Ascott Reit

<table>
<thead>
<tr>
<th>Country</th>
<th>Properties</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>4</td>
<td>600 units</td>
</tr>
<tr>
<td>France</td>
<td>17</td>
<td>1,670 units</td>
</tr>
<tr>
<td>Germany</td>
<td>2</td>
<td>264 units</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>322 units</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
<td>154 units</td>
</tr>
<tr>
<td>Vietnam</td>
<td>1</td>
<td>206 units</td>
</tr>
<tr>
<td>Spain</td>
<td>1</td>
<td>131 units</td>
</tr>
</tbody>
</table>

3,347 apartment units in 28 properties in prime locations in key gateway cities e.g. Paris, London, Singapore
Divests 28 Properties To Ascott Reit

- Enterprise value: S$1,395 million\(^{(1)}\)
- Sale consideration: S$970 million\(^{(1)}\)
- Based on the average of two independent valuations\(^{(2)}\)
- Ascott continues to operate through master leases and management contracts
- Ascott Reit’s right of first refusal expands to include Europe

\(^{(1)}\) This will be adjusted based on the Euro, GBP and USD exchange rate at completion
\(^{(2)}\) Undertaken by Savills Commercial Properties Limited (appointed by Ascott Reit) and HVS International (appointed by Ascott)
Key Rationale of the Proposed Divestment

- Increase asset size and free float of Ascott Reit
  - Almost double asset size to S$2.85 billion. Enhance scale of Ascott Reit and its competitive positioning with respect to its acquisition growth strategy
  - Absolute size of free float would increase by 73% from S$385 million to S$665 million\(^{(1)}\). Enhance trading liquidity

(1) Assuming CapitaLand Group subscribes for such number of units to maintain its pre-equity fund raising unitholding of 47.74% at illustrative unit price of S$1.15.
Strengthen Ascott Reit

Bigger and stronger platform to complement Ascott’s global growth strategy

Total asset size of comparable S-REITs as at 30 June 2010

<table>
<thead>
<tr>
<th>REIT</th>
<th>Total Asset Size (S$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMT</td>
<td>7.8</td>
</tr>
<tr>
<td>CCT</td>
<td>6.0</td>
</tr>
<tr>
<td>Suntec</td>
<td>5.2</td>
</tr>
<tr>
<td>Ascendas</td>
<td>4.9</td>
</tr>
<tr>
<td>Mapletree</td>
<td>3.1</td>
</tr>
<tr>
<td>Enlarged Ascott</td>
<td>2.9</td>
</tr>
<tr>
<td>REIT Indiabulls</td>
<td>2.7</td>
</tr>
<tr>
<td>Starhill</td>
<td>2.7</td>
</tr>
<tr>
<td>K-REIT</td>
<td>2.4</td>
</tr>
<tr>
<td>Fortune</td>
<td>2.3</td>
</tr>
<tr>
<td>FCOT</td>
<td>2.0</td>
</tr>
<tr>
<td>CDLHT</td>
<td>1.8</td>
</tr>
<tr>
<td>Ascott REIT</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: Based on total assets as reported in the financial results of each REIT as at 30 June 2010.
Key Rationale of the Proposed Divestment

• Provide Ascott with strong financial capacity to grow
  − Net cash proceeds of about S$332 million\(^{(1)}\)
  − Net Debt / Equity ratio reduced from 0.60x to 0.27x

• Strengthen Ascott’s balance sheet
  − To capture new investment opportunities in Asia and Europe

\(^{(1)}\) Based on sale consideration of S$970 million after funding S$638 million which comprises (a) amount owing to Ascott Reit of S$156 million, (b) purchase consideration for Ascott Beijing of S$214 million; and (c) subscription of Ascott Reit’s equity fund raising of S$268 million
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Acquisition of Ascott Beijing

- 21-storey building with 310 apartment units located in the prime Chaoyang district of Beijing
- Gross Floor Area\(^{(1)}\): 64,155 sqm
- Leasehold estate of 70 years expiring February 2066
- Agreed Purchase Price: RMB1,472 million or S$302 million\(^{(2)}\)
- Overall terms comparable to shortlisted bids from a tender bid process conducted by Ascott Reit in Q2 2010

\(^{(1)}\) Gross Floor Area excludes basement carpark and basement mezzanine
\(^{(2)}\) Based on exchange rate of RMB 1 : S$ 0.205 and will be adjusted at completion
Key Rationale of the Proposed Acquisition

• Prime location in central Beijing

• Attractive price for Ascott Reit
  - Unlock value with net gain of approximately S$106 million
  - Strengthen balance sheet of Ascott Reit

• Good investment opportunity for Ascott
  - Agreed purchase price of RMB1,472 million (S$302 million) or RMB22,944 psm is in line with the average of two independent valuations\(^1\)
  - Opportunity to enhance and re-position the property for future strata-title sale

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\(^{1}\) Undertaken by Savills Valuation and Professional Services Limited (appointed by Ascott Reit) and HVS International (appointed by Ascott) which is S$299 million
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Conclusion

• Strengthen Ascott Reit by almost doubling of asset size and free float

• Strengthen Ascott’s balance sheet to capture new investment opportunities in Asia and Europe

• Reconstitute asset portfolio and optimise returns

• Extend leadership position with plans to scale up to 40,000 units by 2015 and upgrade our people and management systems

• Be a significant business within CapitaLand
Thank You