

## ASCOTT RESIDENCE TRUST

(Constituted in the Republic of Singapore pursuant to  
a trust deed dated 23 October 2006 (as amended))

### MINUTES OF THE ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 19 APRIL 2017 AT 10.00 A.M. AT THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE, 1 VISTA EXCHANGE GREEN, SINGAPORE 138617

---

Present: Unitholders/Proxies

As per attendance lists

In attendance: Directors of Ascott Residence Trust Management Limited, as manager of  
Ascott Residence Trust (the “Manager”)

Mr Tan Beng Hai, Bob, Chairman  
Mr Lim Ming Yan, Deputy Chairman  
Mr Tay Boon Hwee, Ronald, Chief Executive Officer  
Mr Zulkifli Bin Baharudin  
Mr Sim Juat Quee Michael Gabriel  
Ms Elaine Carole Young  
Mr Lee Chee Koon

Company Secretaries of the Manager

Ms Karen Chan  
Ms Karen Chang

Management of the Manager

Ms Beh Siew Kim, Deputy Chief Executive Officer  
Ms Kang Siew Fong, Vice President, Finance  
Mr Chua Chi Boon, Head, Business Development and Asset Management  
Ms Alicia Chong, Senior Manager, Investor Relations

DBS Trustee Limited, trustee of Ascott Residence Trust

Ms Soh Ee Fong  
Ms Chan Kim Lim  
Ms Kwek Yi Lin

## 1. Introduction

- 1.1. On behalf of DBS Trustee Limited, the trustee of Ascott Residence Trust (“**Ascott Reit**”, and the trustee of Ascott Reit, the “**Trustee**”), and the Board of Directors of Ascott Residence Trust Management Limited, the manager of Ascott Reit (“**ARTML**” or the “**Manager**”), Ms Alicia Chong, the Master of Ceremonies (the “**Emcee**”), welcomed the unitholders of Ascott Reit (the “**Unitholders**”) to the annual general meeting of Ascott Reit (“**AGM**” or the “**Meeting**”).

- 1.2. Prior to the commencement of the AGM, the Emcee briefed all in attendance on the emergency evacuation plan and explained that in lieu of refreshments, CapitaStar vouchers (expiring on 31 May 2017) would be distributed to Unitholders. The Emcee also mentioned that Unitholders who wish to sign up as members of SIAS would be entitled to a one-year free associate membership.
- 1.3. Mr Ronald Tay (“**RT**”), the Chief Executive Officer of the Manager, gave a presentation covering an overview of Ascott Reit, including financial and business highlights for the financial year ended 31 December 2016, capital and risk management and portfolio information of Ascott Reit. In the course of his presentation, RT introduced the new chairman of the Board of Directors of the Manager being Mr Bob Tan (“**BT**”) and the new directors of the Manager being, Mr Michael Sim (“**MS**”) and Ms Elaine Young (“**EY**”). RT also took the opportunity to introduce the newly-appointed Deputy Chief Executive Officer of the Manager, Ms Beh Siew Kim (“**BSK**”).

After meeting note:

*The presentation slides were subsequently uploaded to the SGXNET on 19 April 2017, after trading hours.*

- 1.4. Following RT’s presentation, the Emcee then introduced the panellists. Thereafter, she handed the proceedings of the Meeting over to BT, the Chairman of the Board of Directors of the Manager, who had been nominated by the Trustee to preside as Chairman of the Meeting (“**Chairman**”) in accordance with Paragraph 9 of the Schedule of the trust deed constituting Ascott Reit and dated 19 January 2006 (as amended) (the “**Trust Deed**”).
- 1.5. The Chairman noted that a quorum was present and declared the Meeting open at 10.33 a.m. As there were no objections from the Meeting, the notice of Meeting dated 20 March 2017 contained in the Booklet sent to Unitholders together with the CD-ROM containing Ascot Reit’s 2016 Annual Report of the same date was, with the consent of the Meeting, taken as read.
- 1.6. In line with Rule 730A(2) of the Listing Manual of the SGX-ST, the Chairman exercised his right as Chairman of the Meeting to demand that the vote on each Resolution as set out in the notice of Meeting be decided by way of electronic poll.
- 1.7. The Chairman informed the Meeting that DrewCorp Services Pte Ltd had been appointed as the scrutineers to conduct the electronic poll. The Chairman then invited Mr Raymond Lam of DrewCorp Services Pte Ltd to explain the procedure for voting by electronic poll. Following the explanation, Mr Lam handed the proceedings of the Meeting back to the Chairman.
- 1.8. The Chairman also requested that, Unitholders raise their questions and/or comments only after the Resolution in respect of the agenda item had been proposed and seconded.

## **ORDINARY BUSINESS**

### **2. Resolution 1:**

#### **Adoption of Report of the Trustee, Statement by the Manager, and the Audited Financial Statements of Ascott Reit for the financial year ended 31 December 2016 and the Auditors' Report thereon**

- 2.1. Resolution 1 to receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of Ascott Reit for the financial year ended 31 December 2016 and the Auditors' Report was read and duly proposed by Mr Tan See Peng @ Tan Kah Hua ("**Mr Tan**"), and seconded by Mr Low Hong Tat Jeffrey.
- 2.2. The Chairman invited questions and comments from the floor.
- 2.3. For his first question, Mr Tan referred to page 185 of the annual report of Ascott Reit (the "**Annual Report**") and noted that the total losses carried forward were reflected but that wear and tear allowance was not set out. He remarked that he was certain the Manager spent a large sum of money on maintenance and that such sums ought to qualify for offset against future income. Hence, Mr Tan enquired whether wear and tear allowance could be included in the following financial year so the Ascott Reit could distribute higher distributions to Unitholders.
- 2.4. Mr Tan's second question related to non-cash payments. He stated that he presumed that the non-cash payments were for management fees. He went on to ask whether the Manager could also give scrip dividends, as he believed scrip dividends would cut down on cash outlay and would save Unitholders a lot of trouble.
- 2.5. Mr Tan proceeded with his third comment by suggesting, with regards to the pipeline of acquisitions from the Sponsor (The Ascott Limited), that the Manager source for properties from third parties instead of only from one single party. He asserted that by doing so, the Manager would not have its hands tied and would be free to negotiate the terms of the property acquisitions.
- 2.6. Lastly, Mr Tan raised the issue of geographical diversification. He wondered if Ascott Reit should focus on emerging markets in Asia, such as Cambodia, Laos and Myanmar. He noted that investors which enter the markets early would enjoy the first mover's advantage.
- 2.7. Chairman thanked Mr Tan for his comments and stated that the management would take note of his suggestions. In relation to Mr Tan's comment on third-party acquisitions, Chairman replied that the Manager did acquire properties from third-party vendors and quoted the examples of the two New York properties recently acquired. He reassured Unitholders that the Manager would take every opportunity from any party as long as the deal proved to be beneficial to Unitholders. He added that the

search for properties went beyond yield and that the Manager would need to source properties with growth potential or at least properties that would not devalue over time. The properties sourced should also be capable of easy divestment in the event of a fall in yield. Chairman emphasised that the track record of Ascott Reit had been quite good and the fact that properties could be recycled at a profit for the generation of good yield indicates that the Manager had taken the right steps in identifying properties. He noted that Ascott Reit was fortunate that it had a good sponsor with many properties available.

- 2.8. In relation to Mr Tan's suggestion to focus on emerging markets, Chairman responded by saying that the Manager would keep the suggestion in mind but would like to remind Unitholders that emerging markets had emerging risks as well. He reiterated that if there were good properties in the emerging markets, Ascott Reit would certainly seek to enter into acquisition of those properties.
- 2.9. RT also thanked Mr Tan for his questions. In relation to Mr Tan's question on acquisitions from third parties and the Sponsor, RT mentioned that 70% of Ascott Reit's properties came from the Sponsor and moving forward, this trend was likely to continue. He explained that unlike independent REITs, the compelling strength of Ascott Reit came from the ability of its strong Sponsor to provide a strong pipeline of good properties. Nevertheless, he emphasised that the Manager was always on the lookout for good third-party acquisitions. More importantly, he emphasised that the Manager did not look to acquire all the assets that the Sponsor was looking to sell. If the relevant property was not yield-accretive or if the management felt that there was a lack of opportunity for value enhancement, the Manager would not purchase the property. Moreover, RT noted that the Manager would be able to take advantage of its right of first refusal from the Sponsor, which gave the Manager a first bite of the cherry in respect of properties located in Europe and Asia. He stated that the Manager always seeks to make sure that the numbers would make sense prior to the purchase of a property.
- 2.10. Mr Ashok Kumar Singhal ("**Mr Ashok**") referred to Page 116 of the Annual Report and questioned whether the negative currency translation of \$117.15 million which reduced NAV by 7 Singapore cents was normal or Ascott Reit expected a reversal of rate.
- 2.11. RT responded by explaining that the negative translation was due to currency fluctuations. He explained that this was unrealised exchange loss which was reflected on the balance sheet, and that it had an overall impact on NAV, but such impact would be insignificant. He noted that this figure forms part and parcel of Ascott Reit's business portfolio, and that Ascott Reit did not hedge 100% of the foreign exchange exposure on its overseas investments because it was constrained by its overall gearing. He explained that so long as the losses were within a tolerable level, the Manager would be able to manage the unrealised losses as it continued to diversify its asset base.

- 2.12. Chairman added to RT's response by further explaining that the unrealised exchange losses arose because Ascott Reit's properties were situated in different locations globally and currencies would fluctuate from time to time depending on local currency but such losses would not be realised until the particular asset was being disposed. He stated that whenever Ascott Reit purchased a particular asset overseas, it tends not to fully hedge it against the Singapore dollar due to the high hedging costs involved in hedging to 100% of the amount. He added that any gain and loss from currency fluctuation would be a relatively small number compared to Ascott Reit's total asset base. He remarked that it might not be a good reflection of the performance of the asset to focus on whether Ascott Reit was making a profit or loss out of an asset only at a particular point in time.
- 2.13. Mr Ashok went on to remark that the NAV had decreased for the first time after 2010.
- 2.14. RT responded that he did not think that this was the first time NAV had gone down since 2010.
- 2.15. Mr Ashok stated that the reason he raised the issue of NAV was because the amount of decrease was 7 Singapore cents, as opposed to a mere 1% decrease.
- 2.16. Chairman commented that in assessing the yield of an investment, Unitholders should compare the yield of investments in the same sector and also across the REIT sector in general. The yield of Ascott Reit was in the top quarter when compared to the yield of all the asset classes. In terms of returns to Unitholders, this was a very good yield for the REIT market. He mentioned that the yields for the other REITs were also fluctuating and therefore it was important to focus on the relative yield and not the absolute yield. He remarked that Unitholders should ask themselves two questions before investing in any REIT: first, whether one should invest in the REIT market, and secondly whether this was the best REIT among all REITs.
- 2.17. Ms Kang Siew Fong ("**KSF**") further confirmed that the currency translation losses were unrealised and did not affect the distribution per unit ("**Unit**") of Ascott Reit.
- 2.18. As there were no further questions on Resolution 1, the Chairman proceeded to put Resolution 1 to vote.

**Resolution 1 (Ordinary Resolution)**

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
1,050,483,350	99.99	145,700	0.01

Based on the results of the poll, the Chairman declared Resolution 1 carried as an Ordinary Resolution.

**3. Resolution 2:****Re-appointment of KPMG LLP as Auditors of Ascott Reit**

- 3.1. Resolution 2 to re-appoint KPMG LLP as Auditors of Ascott Reit to hold office until the conclusion of the next AGM of Ascott Reit, and to authorise the Manager, to fix their remuneration was read and duly proposed by Ms Ang Lay Yin, Christina, and seconded by Mr Kok Chee Hao (Guo Zhi Hao).
- 3.2. The Chairman invited questions and comments from the floor.
- 3.3. As there were no questions on Resolution 2, the Chairman proceeded to put Resolution 2 to vote.

**Resolution 2 (Ordinary Resolution)**

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
1,050,513,450	99.94	669,600	0.06

Based on the results of the poll, the Chairman declared Resolution 2 carried as an Ordinary Resolution.

**SPECIAL BUSINESS****4. Resolution 3:****Authority for the Manager to issue Units in Ascott Reit and to make or grant convertible instruments**

- 4.1. Resolution 3 to authorise the Manager to issue Units and to make or grant convertible instruments was read and proposed by Mr Ong Lee Ming, and seconded by Mr Ashok Kumar Singhal.
- 4.2. The Chairman invited questions and comments from the floor.
- 4.3. As there were no questions on Resolution 3, the Chairman proceeded to put Resolution 3 to vote.

**Resolution 3 (Ordinary Resolution)**

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
1,053,665,801	99.83	1,784,159	0.17

Based on the results of the poll, the Chairman declared Resolution 3 carried as an Ordinary Resolution.

**5. CLOSING ADDRESS**

There being no other business, on behalf of the Trustee and the Manager, the Chairman thanked all present for their attendance and support, and declared the Meeting closed at 11.09 a.m.

CONFIRMED

---

Mr Bob Tan  
Chairman of Meeting