

## ASCOTT REIT TO ACQUIRE ITS FIRST PROPERTY IN DALIAN, CHINA FOR RMB571 MILLION

*Singapore, 20 February 2014* – Ascott Residence Trust (Ascott Reit) has entered into a conditional agreement with Winner Sight Investments Limited to acquire its first serviced residence in Dalian for RMB571 million (approximately S\$118.6 million<sup>1</sup>) at an EBITDA yield of 5.5%. On a pro forma basis, the accretive acquisition is expected to increase FY 2013 distribution per unit by 1.5% from 8.40 cents to 8.53 cents.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "This is Ascott Reit's first acquisition after our successful rights issue in December 2013 which raised S\$253.7 million. It demonstrates our ability to redeploy the funds by investing in yield accretive assets. While this acquisition in Dalian is from a third party, we are also looking at potential acquisitions from our sponsor, The Ascott Limited (Ascott), in key cities in China, Japan, Australia, Malaysia and Europe."

Mr Lim added: "Our first acquisition in Dalian is in line with Ascott Reit's strategy of investing in quality assets with prime locations and growth potential to further enhance returns to Unitholders. Dalian is the largest port city in northeast China and the regional hub for foreign trade, high-end manufacturing, international shipping, logistics and exhibition. Dalian enjoys high affluence and an average gross domestic growth rate of 15% per annum over the past decade, attracting a large number of local and foreign enterprises. The acquisition will further entrench Ascott Reit's presence in our key growth market of China and diversify our geographical presence."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "We are acquiring a prime asset with a strategic location in the heart of Jinzhou New District. China's first and largest National Economic and Technological Development Zone, Dalian Development Area, is located in the district. Jinzhou New District has attracted a cumulative foreign direct investment of over US\$19 billion and is home to many multinational corporations such as Pfizer, Volkswagen and Intel."

Mr Tay added: "The serviced residence, which commenced operation in 2009, has an average occupancy of about 80% and a strong base of long stay customers. It is also the first international serviced residence in Dalian Development Area. We will refurbish the property to enhance its value and it will be managed by Ascott as Somerset Grand Central Dalian when our acquisition is completed, which is expected to be by mid 2014. Ascott, with its current presence in Shenyang and Dalian, will provide the scale and network effect to further drive the performance of the property."

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<sup>1</sup> Based on exchange rate of RMB1.00 = S\$0.2077



**ASCOTT**

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TRUST

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The 195-unit serviced residence provides convenient access to the city and Dalian Zhoushuizi International Airport. It is a 25-minute drive from Dalian North Railway Station and within walking distance to the metro station as well as amenities such as supermarket, international schools and hospital.

Part of a mixed-use development that also comprises an office tower and a retail podium, the serviced residence offers a range of one to three-bedroom apartments and penthouses. Facilities at the property include a gymnasium, business centre, swimming pool, spa and children's play area.

In China, Ascott Reit currently owns seven serviced residences with more than 1,200 apartment units across Beijing, Guangzhou, Shanghai, Shenyang, Suzhou and Tianjin.

### **About Ascott Residence Trust**

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.

Ascott Reit's asset size has more than tripled to about S\$3.4 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 81 properties with 8,692 units in 32 cities across 12 countries in Asia Pacific and Europe.

Ascott Reit's serviced residences are operated under the Ascott, Citadines and Somerset brands, and are mainly located in key gateway cities such as Beijing, Shanghai, Guangzhou, Singapore, Tokyo, London, Paris, Berlin, Brussels, Barcelona, Munich, Hanoi, Ho Chi Minh City, Jakarta, Manila and Perth.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Limited and an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies. ARTML is the winner of World Finance Magazine's "Best Real Estate Investment Fund Manager 2011" in South Eastern Asia in their inaugural Real Estate Awards.

### **Important Notice**

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott Reit (the "Manager") or any of its affiliates. An investment in the units in Ascott Reit is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott Reit is not necessarily indicative of its future performance.

This announcement 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, competition from similar developments, shifts in expected levels of property

rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

**Issued by:**

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