

NEWS RELEASE

ASCOTT RESIDENCE TRUST IS FIRST HOSPITALITY TRUST GLOBALLY TO ISSUE SUSTAINABILITY-LINKED BOND OF S\$200 MILLION

First sustainability-linked bond by a Singapore-listed real estate trust receives strong demand with 2.2 times oversubscription

Singapore, 20 April 2022 – Ascott Residence Trust (ART) has issued its first sustainability-linked bond of S\$200 million under its newly established Sustainability-Linked Finance Framework¹. ART is the first hospitality trust globally to issue a sustainability-linked bond. ART is also the first listed real estate trust in Singapore to issue a sustainability-linked bond.

ART's sustainability-linked bond is issued pursuant to its S\$2 billion Multicurrency Debt Issuance Programme and proceeds from the bond issuance will be used to refinance ART's existing borrowings. With a fixed coupon rate of 3.63% per annum, paid semi-annually in arrears, the five-year sustainability-linked bond will mature in April 2027.

ART has achieved a 'greenium'² through the issuance of the sustainability-linked bond and committed to a sustainability performance target (SPT) of greening 50% of its total portfolio by the end of 2025³. The properties must achieve a regional, national or internationally recognised green building standard or certification by a recognised third-party by the SPT observation date⁴.

The deal was met with strong demand from institutional investors and was about 2.2 times oversubscribed. The bond issue was eventually upsized from S\$150 million to S\$200 million, and the final orderbook closed at S\$335 million with orders from across 47 accounts. In terms of investor distribution, 79% of the bond was allocated to institutional accounts and 21% to private banking accounts.

ART has concurrently entered into a cross-currency interest rate swap transaction to swap the Singapore dollar-denominated coupon payments of the bond into Japanese Yen at a fixed interest rate of 1.043% per annum.

Ms Beh Siew Kim, Chief Executive Officer of Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "Sustainability is core to everything we do at ART. Aligning our financing needs with our sustainability efforts to build a greener portfolio demonstrates ART's focus on responsible growth. Our global sustainability strategy centres on improving energy efficiency through technology or engineering solutions, as

¹ For more information on ART's Sustainability-Linked Finance Framework, please visit [here](#)

² Greenium or green premium refers to the cheaper cost of funding by issuing debt that have positive environmental impact as compared to traditional bonds

³ By the total gross floor area

⁴ SPT Observation date: (1) in the event that an Exception Event, as defined under the bond pricing supplement, has not occurred, 31 December 2025 and, (2) in the event that an Exception Event has occurred, 31 December 2026, being the date on which the SPT is to be satisfied

well as increasing the use of renewable energy. Our efforts are also guided by a Sustainability Committee comprising members from ART’s senior management team as well as operations and technical department experts. As of 31 December 2021, 33% of ART’s portfolio is green-certified and we target to green the rest of our portfolio by 2030. We continue to work with our operators and lessees to green our properties globally, and contribute to the environmental and social well-being of the communities we operate in.”

ART’s Sustainability-Linked Finance Framework facilitates the future issuance of sustainability-linked bonds and loans tied to its environmental, social and governance (ESG) objectives including selected United Nations’ Sustainable Development Goals. ART has engaged Moody’s ESG Solutions to provide a Second-Party Opinion (SPO)⁵ on ART’s Sustainability-Linked Finance Framework. According to Moody’s ESG Solutions, “ART’s key performance indicators are clearly defined, measurable and demonstrate a robust level of ambition compared to peers in the hospitality sector. Its Sustainability-Linked Finance Framework has clearly disclosed its strategies to achieve its SPTs and are credible.”

Fitch Ratings had assigned a ‘BBB-’ long-term issuer default rating, with stable outlook to ART. The rating reflects the growing diversification of ART’s property portfolio towards longer-stay assets, such as student accommodation and rental housing, in the medium term. This improves its business-risk profile and boosts income stability as global travel demand gradually resumes. ART remains resilient due to good portfolio diversification across asset classes and geographies. ART’s sustainability-linked bond is also rated ‘BBB-’ by Fitch. DBS Bank Ltd. is the sole sustainable finance advisor, lead manager and bookrunner for the transaction.

ART’s sustainability achievements and commitment

ART is aligned with and actively contributes to the targets set out under CapitaLand’s 2030 Sustainability Master Plan. The strategic blueprint outlines the Group’s efforts towards building a resilient and resource-efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. These include working towards achieving the reduction targets for carbon emissions, energy and water consumption and waste generation, as well as an increased use of renewable energy.

ART’s leadership in sustainability has been recognised by international benchmarks. In October 2021, ART was named ‘Global Sector Leader - Hotel’ in the Global Real Estate Sustainability Benchmark (GRESB) and ranked first in the Singapore Governance and Transparency Index within the REITs and Business Trusts category.

In January 2021, ART was the first hospitality trust in Singapore to secure a green loan. Proceeds from the loan were used to finance lyf one-north Singapore, ART’s maiden development project. The newly opened coliving property is fitted with green, energy-efficient and smart building features and is certified with Green Mark Gold^{PLUS} by the Building and Construction Authority of Singapore.

⁵ The SPO was originally provided by Vigeo Eiris (V.E.), which is now part of Moody’s ESG Solutions

About Ascott Residence Trust

Ascott Residence Trust (ART) is the largest hospitality trust in Asia Pacific with an asset value of S\$7.7 billion as at 31 December 2021. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, ART's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. ART is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

ART's international portfolio comprises 93 properties with over 17,000 units in 43 cities across 15 countries in Asia Pacific, Europe and the USA as at 31 December 2021.

ART's properties are mostly operated under the Ascott The Residence, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT). ART is managed by Ascott Residence Trust Management Limited (as manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd. (as trustee-manager of Ascott BT), both of which are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

Visit www.ascottresidencetrust.com for more information.

About CapitaLand Investment Limited

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 December 2021, CLI had about S\$122.9 billion of real estate assets under management, and about S\$86.2 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 29 private funds across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of the CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

As part of the CapitaLand Group, CLI places sustainability at the core of what it does. As a

responsible real estate company, CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

Visit www.capitalandinvest.com for more information.

Important Notice

This release may contain forward-looking statements. 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 developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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The past performance of Ascott Residence Trust (“**ART**”) is not indicative of future performance. The listing of the stapled securities in ART (“**Stapled Securities**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

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Ascott Residence Trust Management Limited
(Manager of Ascott Real Estate Investment Trust) (Regn No.: 200516209Z)
Ascott Business Trust Management Pte. Ltd.
(Trustee-Manager of Ascott Business Trust) (Regn No.: 201925299R)
168 Robinson Road #30-01 Capital Tower Singapore 068912
t (65) 6713 2888
www.ascottresidencetrust.com

Issued by:

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

168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Tel: (65) 6713 2888 Fax: (65) 6713 2121

Website: <http://www.ascottresidencetrust.com>

For more information, please contact:

Analyst Contact

Denise Wong

Head

Investor Relations & Sustainability

Tel: (65) 6713 2151

Email: denise.wong@the-ascott.com

Media Contact

Joan Tan

Vice President

Group Communications

Tel: (65) 6713 2864 / HP: (65) 9743 9503

Email: joan.tanzm@capitaland.com



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