


ASCOTT
RESIDENCE
TRUST
An Associate of CapitaLand

Ascott Residence Trust

Acquisition of Interest in a Serviced Residence Property
in Dalian, The People's Republic of China

20 February 2014

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- 1 Overview of the Acquisition
- 2 Rationale of the Acquisition
- 3 Impact on Ascott REIT
- 4 Conclusion

Overview of the Acquisition

Ascott Raffles Place Singapore

Overview of the Acquisition

Property Details



128 Jinma Road, Dalian, China

Branding	Somerset
No. of Units	195 serviced residence units, 3 retail units and 1 club house
Gross Floor Area	35,261sqm
Leasehold Title	Commercial
Remaining Leasehold Term	43 years tenure expiring in 2056
Valuation ¹	RMB 580.0 million
Location	No. 128-2 Jinma Road, Dalian Development Area, Dalian
SR Operator	The Ascott Limited
Vendor	Winner Sight Investments Limited (Third Party)

1. Valuation by Jones Lang Lasalle as of 30 September 2013

Overview of the Acquisition

Transaction Summary

Agreed Property Value	RMB 571.0 million
Valuation ¹	RMB 580.0 million
EBITDA Yield	5.5%
FY 2013 Pro Forma DPU Impact	1.5% accretion

1. Valuation by Jones Lang Lasalle as of 30 September 2013

Rationale of the Acquisition



Citadines Mount Sophia

Rationale of the Acquisition

Key Rationale

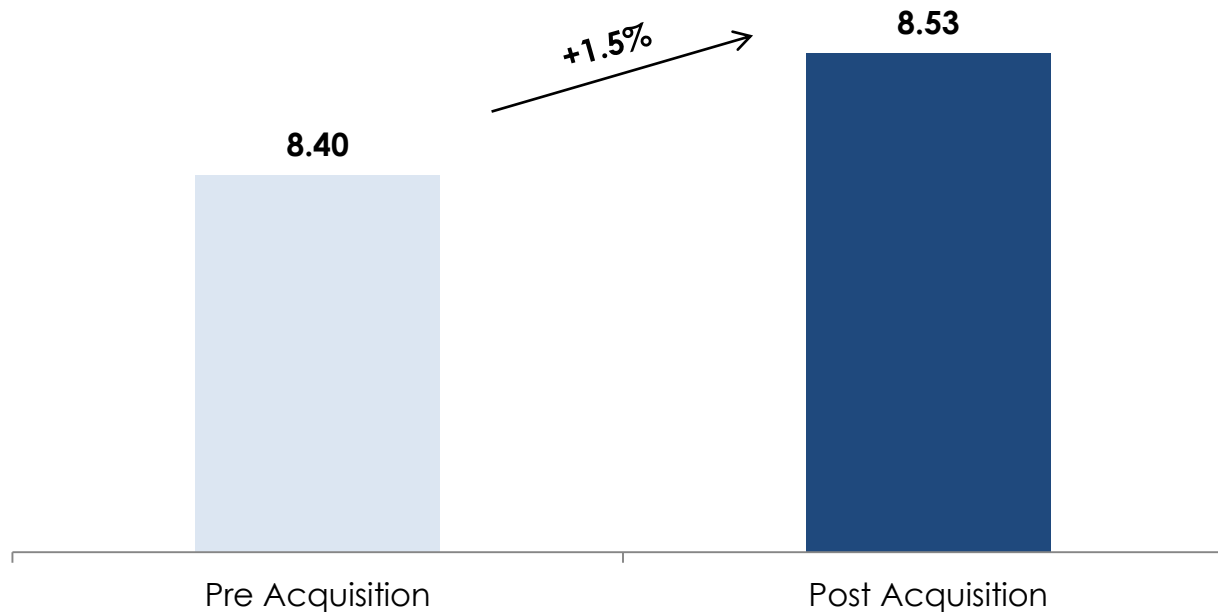
- 1 Accretive acquisition
- 2 Deepen presence in China
- 3 High quality asset in a strategic location



Rationale of the Acquisition

1 Accretive acquisition

Distribution Per Unit (\$ cents)



FY 2013 pro forma DPU ↑ by 1.5% from 8.40 cents to 8.53 cents post acquisition

Rationale of the Acquisition

2 Deepen presence in China

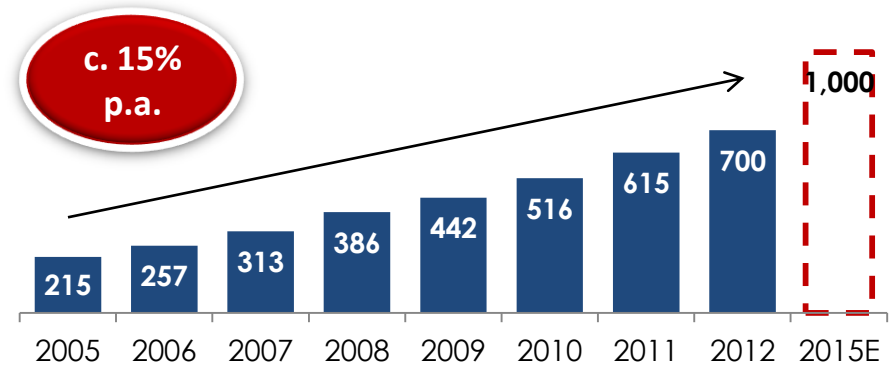
- Ascott Reit's first entry into Dalian
- Dalian is the largest port city in Northeast China and provides convenient access to major cities in China, Korea and Japan
- Dalian is the regional hub for foreign trade, high-end manufacturing, international shipping, logistics and exhibition



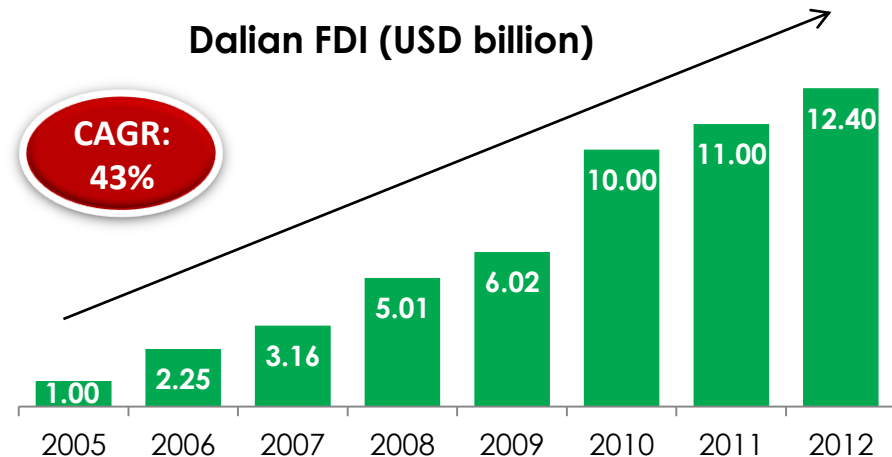
2 Deepen presence in China

- Dalian enjoyed GDP growth of 15.0% per annum over the past decade and its economy is expected to grow to RMB 1 trillion by 2015
- Jinzhou New District (JND) located in Dalian is the first and largest National-level Economic and Technological Development Area (NETDA) in China and is expected to continue to draw top MNCs. JND has attracted a cumulative foreign direct investment of over US\$19 billion
- Pillar industries include petrochemicals and oil refinery, machinery and equipment, shipbuilding and electronics and the service industry

Dalian GDP (RMB billion)



Dalian FDI (USD billion)



Rationale of the Acquisition

3 High quality asset...

- In operation since September 2009, the property is well renovated and maintained, with a proven track record of good operational performance
- Stable long-stay customer base
 - More than 80% of customers with length of stay longer than 6 months



Rationale of the Acquisition

3 ...in a strategic location

- Located in Jinzhou New District (JND), a key development zone in Dalian
- Monopolistic position being the only internationally branded SR in JND. No international hotels operate in JND
- Close proximity to the American International School
- Over 3,500 foreign enterprises located in JND
- Over 73 Fortune 500 companies located in JND
- ✓ Constant stream of new projects
- ✓ Expansion of current projects



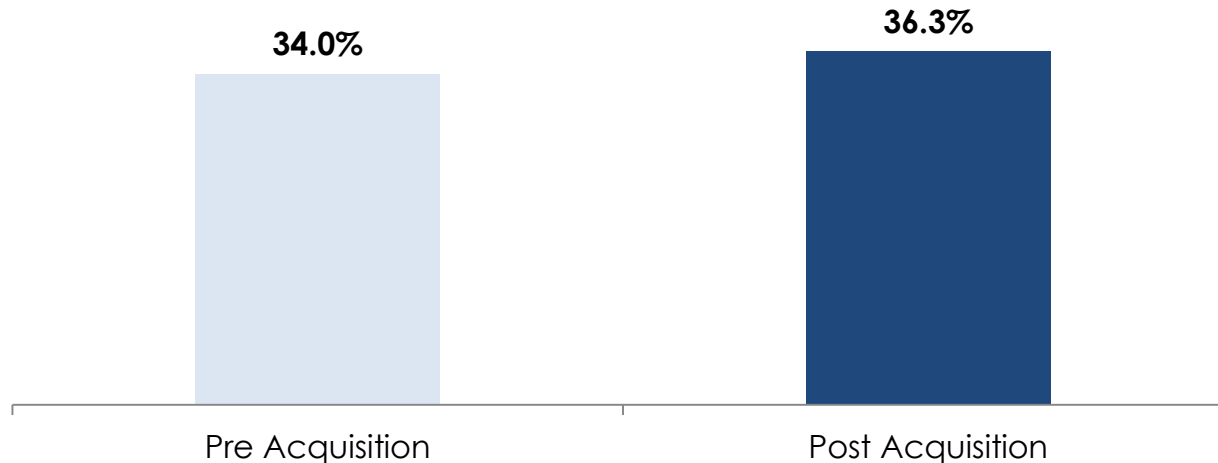
Impact on Ascott REIT

SOMERSET

Somerset Liang Court Singapore

Healthy Balance Sheet

Gearing (%)



- Gearing remains well within 60% gearing limit under MAS Property Fund Appendix

NAV Per Unit (\$\$)

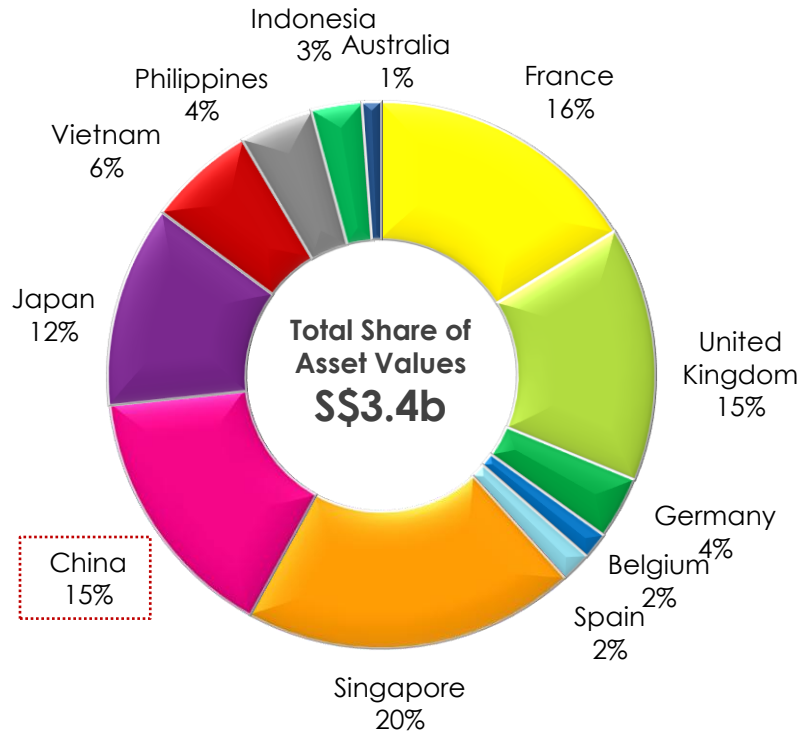
- NAV Per Unit remains **unchanged** at S\$1.37 post acquisition

Impact on Ascott REIT

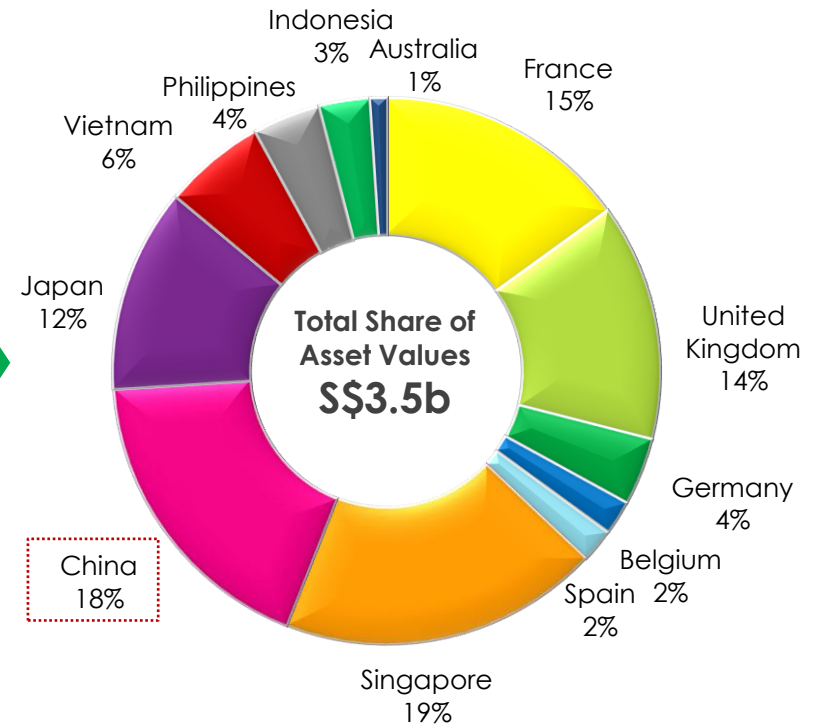
Share of Total Assets

Breakdown of Share of Assets by Geography

Pre Acquisition



Post Acquisition



Conclusion



Ascott Raffles Place Singapore

Acquisition of Serviced Residence Property in Dalian, China

Accretive acquisition

- FY 2013 pro forma DPU accretion of 1.5% from 8.40 cents to 8.53 cents

Deepen presence in China

- Ascott REIT's first entry into the city of Dalian
- Dalian is the largest port city in Northeast China
- Dalian experienced GDP growth of 15.0% per annum over the past decade
- Strong GDP and FDI growth will continue to drive demand for quality accommodation

High quality asset in a strategic location

- In operation since September 2009, the property is well renovated and maintained, with a proven track record of good operational performance
- More than 80% of customers have length of stay longer than 6 months
- Monopolistic position being the only internationally branded SR in JND. No international hotels operate in JND
- JND is home to over 73 Fortune 500 companies