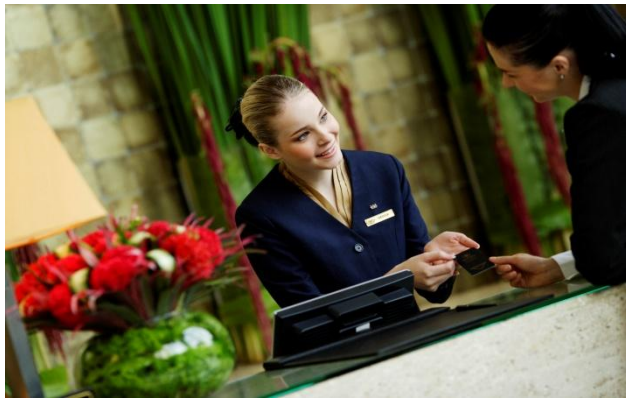
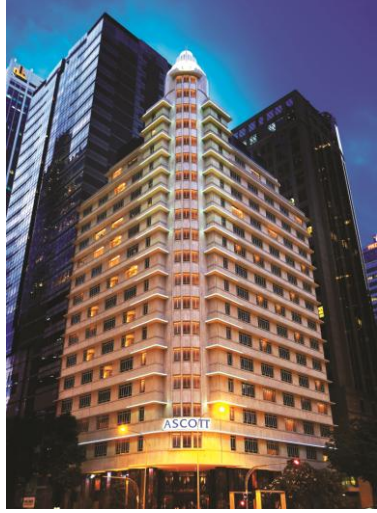









ASCOTT
RESIDENCE TRUST
A Member of CapitaLand

# Ascott Residence Trust

## The Proposed Acquisition Of Interests In Serviced Residence Properties In Malaysia And the People's Republic Of China From Interested Persons

## Press Conference

**7 July 2014**

# Disclaimer

**IMPORTANT NOTICE**

The value of units in Ascott Residence Trust ("**Ascott REIT**") (the "**Units**") and the income derived from them may fall as well as rise. The Units 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 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 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, 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. Prospective investors and Unitholders 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.

Unitholders of Ascott REIT (the "**Unitholders**") have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

# Content


1. Overview of the Target Acquisitions
2. Competitive Strengths of the Target Properties
3. Rationale for the Target Acquisitions
4. Impact on Ascott REIT
5. Overview of Funding Structure
6. Conclusion
7. Extraordinary General Meeting

# Overview of the Target Acquisitions



Ascott Raffles Place Singapore

# Overview of the Target Acquisitions

## Summary of the Target Acquisitions

| | | Somerset Ampang Kuala Lumpur ("KL Property") | Citadines Zhuankou Wuhan ("Wuhan Property") | Citadines Gaoxin Xi'an ("Xi'an Property") | Total |
|---|---|---|---|---|---|
| **Target Acquisitions** | **Purchase Consideration** | MYR169.4m ($65.3m) | US$25.2m ($31.7m) | US$27.5m ($34.6m) | **$131.6m** |
| | **No. of Apartment Units** | 207 | 249 | 251 | **707** |

- **Blended EBITDA yield = 5.1%[1]**

**Interested Person/Party Transactions**

Unitholders' approval is required for the proposed Target Acquisitions

- **EGM to be held on 31 July 2014 at 10.00 a.m.**

*Note: Based on exchange rates of MYR1.00 to $0.38538, RMB1.00 to $0.20404, and US$1.00 to $1.25596*

1. *On pro forma basis for FY2013*

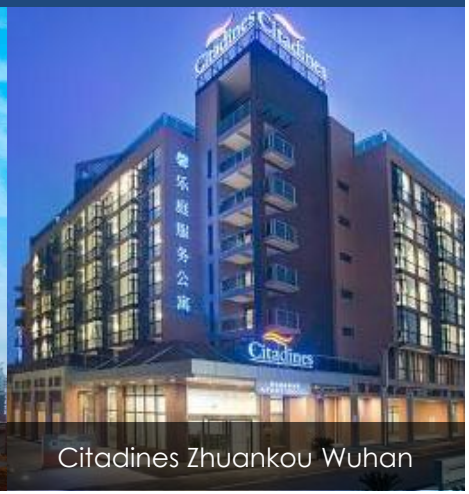
# Overview of the Target Acquisitions

## Overview of the Target Properties

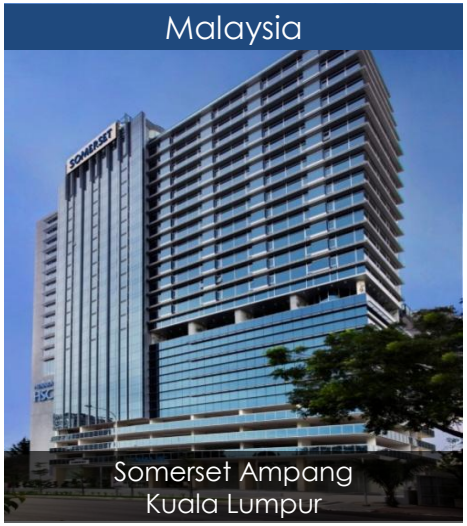



### China


Citadines Gaoxin Xi'an


Citadines Zhuankou Wuhan

### Malaysia


Somerset Ampang Kuala Lumpur

# Competitive Strengths of the Target Properties




Ascott Raffles Place Singapore

# Overview of the KL Property

## Property Details



Somerset Ampang Kuala Lumpur

| | |
|---|---|
| **Agreed Property Value** | MYR175.0m ($67.4m[1]) |
| **Appraised Value[2]** | MYR175.0m ($67.4m[1]) |
| **No. of Apartment Units** | 207; Comprising studio, 1-Bedroom, 2-Bedroom and 3-Bedroom |
| **Gross Floor Area** | 18,868.0 sqm |
| **Title** | Commercial; Freehold |
| **Location** | No. 187, Jalan Ampang 50450, Kuala Lumpur, Malaysia |
| **Year of Opening** | 2011 |

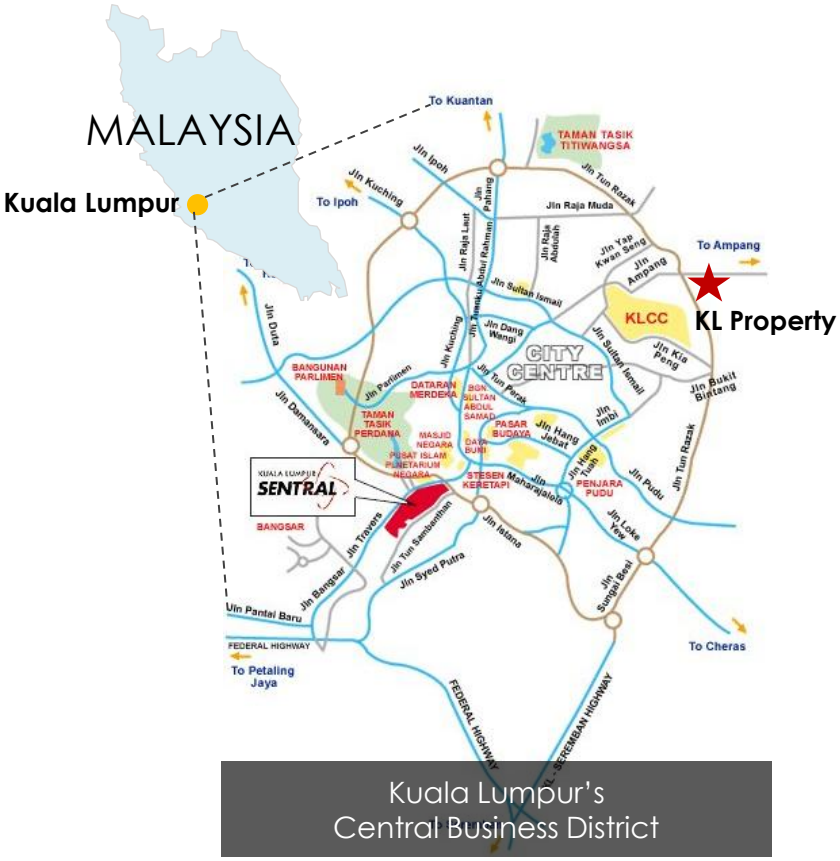
*Notes:*
1. *Based on exchange rate of MYR1.00 to $0.38538*
2. *Average of the appraised values provided by the Independent Valuers, namely, C H Williams Talhar & Wong Sdn Bhd (as consultant to Jones Lang LaSalle Property Consultants Pte Ltd) and HVS Singapore (SG&R Singapore Pte Ltd)*

# Competitive Strengths of the Target Properties

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## Competitive Strengths of the KL Property

**The KL Property is located in Kuala Lumpur, the capital city of Malaysia, which is also the main gateway for international travellers to Malaysia**




Kuala Lumpur's Central Business District

***Strategically located in Kuala Lumpur, the federal capital city in Malaysia***

— The most modern and developed city in Malaysia, with contemporary high-rise buildings, hotels and shopping malls

— Main gateway for international travellers to Malaysia through the Kuala Lumpur International Airport

***Increasingly attractive location for MNCs to set up regional business hubs***

— Malaysia ranks 6th in ease of doing business[1] and 15th in most competitive economy in overall performance[2]

— An ideal hub for services and industrial support services and has the strong support of a stable government that is committed to pro-business reforms

1. *World Bank Doing Business 2014 Report*
2. *IMD World Competitiveness Yearbook 2013*



CapitaLand

# Competitive Strengths of the Target Properties

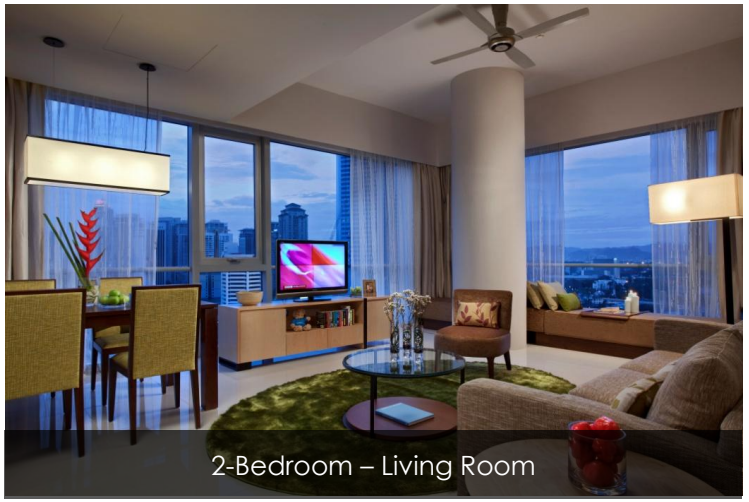
## Competitive Strengths of the KL Property

1. Kuala Lumpur is the main gateway for international travellers to Malaysia and an increasingly attractive location for MNCs to set up regional operations
2. The property is strategically located in the prime Golden Triangle of Kuala Lumpur with easy access to attractions
3. Enjoys good inter-city and intra-city connectivity
4. Part of an integrated development that houses the HSC Medical Center, one of Malaysia's leading medical, heart and diagnostic centres
5. The property is new; only opened in 2011





3-Bedroom – Bedroom


2-Bedroom – Living Room

# Overview of the Wuhan Property

## Property Details



Citadines Zhuankou Wuhan

| | |
|---|---|
| **Agreed Property Value** | RMB252.0m ($51.4m[1]) |
| **Appraised Value[2]** | RMB256.0m ($52.2m[1]) |
| **No. of Apartment Units** | 249; Comprising studio, 1-Bedroom and 2-Bedroom |
| **Gross Floor Area** | 21,615.4 sqm |
| **Title** | Commercial;<br>40-year leasehold ending on 26 Dec 2043 |
| **Location** | Building C2 and C3,<br>Xiang Long Times Business Center, Plot 3R2, Wuhan Economic and Technological Development Zone, Wuhan, Hubei Province, China |
| **Year of Opening[3]** | 2011 |

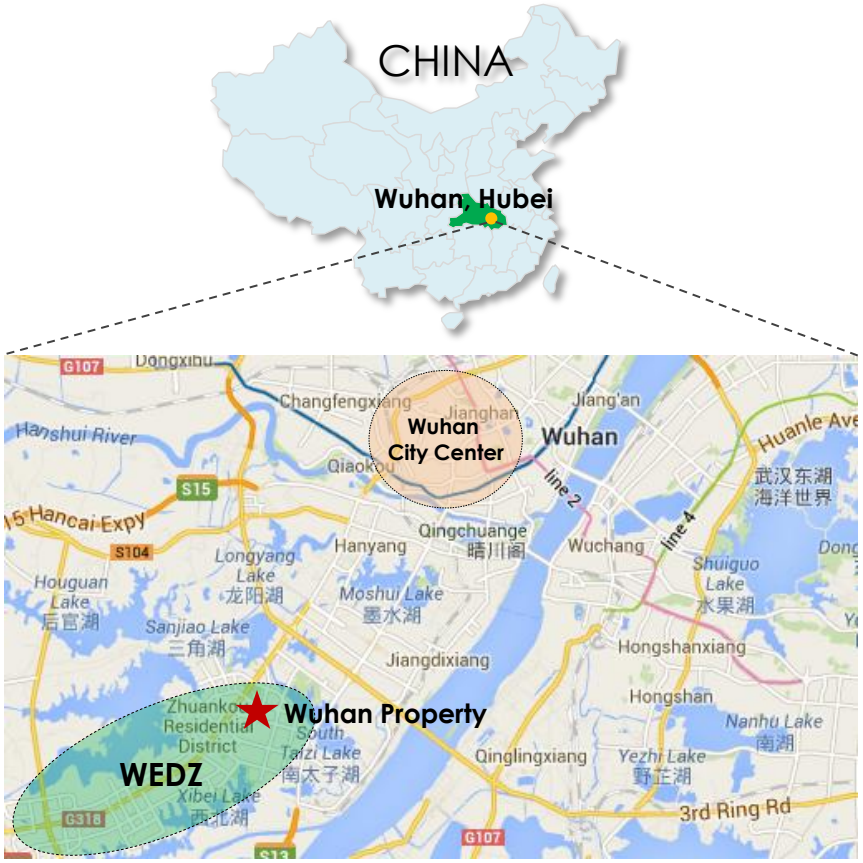
*Notes:*

1. *Based on exchange rate of RMB1.00 to $0.20404*
2. *Average of the appraised values provided by the Independent Valuers, namely, Jones Lang LaSalle Property Consultants Pte Ltd and Cushman & Wakefield VHS Pte. Ltd.*
3. *Fully opened in 2011*

# Competitive Strengths of the Target Properties

## Competitive Strengths of the Wuhan Property

**The Wuhan Property is located within Wuhan Economic and Technological Development Zone ("WEDZ") in Wuhan, China, home to many Fortune 500 companies**




***Strategically located in WEDZ, one of the most concentrated automotive industrial areas in China***

— WEDZ is a national level development zone approved by the State Council of the People's Republic of China in 1993

— Home to the headquarters of automobile makers such as Dongfeng Motor, Dongfeng Peugeot Citroen Motor, Dongfeng Honda Motor, automobile R&D centers and automotive parts manufacturers

***Positioned for sustained demand from foreign and domestic corporate travellers***

— Continued domestic and foreign investment into Wuhan and particularly WEDZ

— In 2013, FDI into Wuhan reached US$5.2b, up 18.1% from 2012[1]

1. *Wuhan statistics bureau*

# Competitive Strengths of the Target Properties

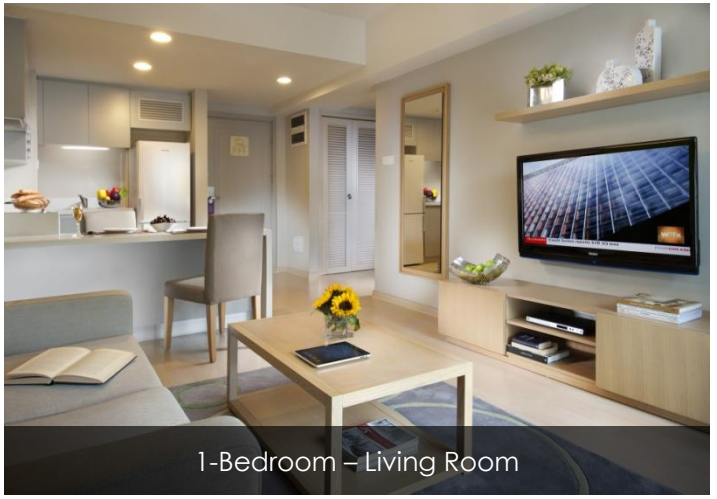
## Competitive Strengths of the Wuhan Property

1. Strategically located within Wuhan Economic and Technological Development Zone, one of the most concentrated automotive industrial areas in China
2. Situated near the headquarters and training centres of Dongfeng Peugeot Citroen Automobiles Co. Ltd
3. Expected opening of a new Metro station in end 2015 (~100m away) to provide direct connectivity to Wuhan's CBD
4. The property is new; only fully opened in 2011





2-Bedroom – Master Bedroom


1-Bedroom – Living Room

# Overview of the Xi'an Property

## Property Details



Citadines Gaoxin Xi'an

| | |
|---|---|
| **Agreed Property Value** | RMB270.0m ($55.1m[1]) |
| **Appraised Value[2]** | RMB275.0m ($56.1m[1]) |
| **No. of Apartment Units** | 251; Comprising Studio, 1-Bedroom and 2-Bedroom |
| **Gross Floor Area** | 24,303.7 sqm |
| **Title** | Commercial;<br>50-year leasehold ending on<br>3 Jan 2056 |
| **Location** | 1-26/F, No. 13 Gaoxin Si Road, Hi-Tech Zone, Xi'an, Shaanxi Province, China |
| **Year of Opening[3]** | 2011 |

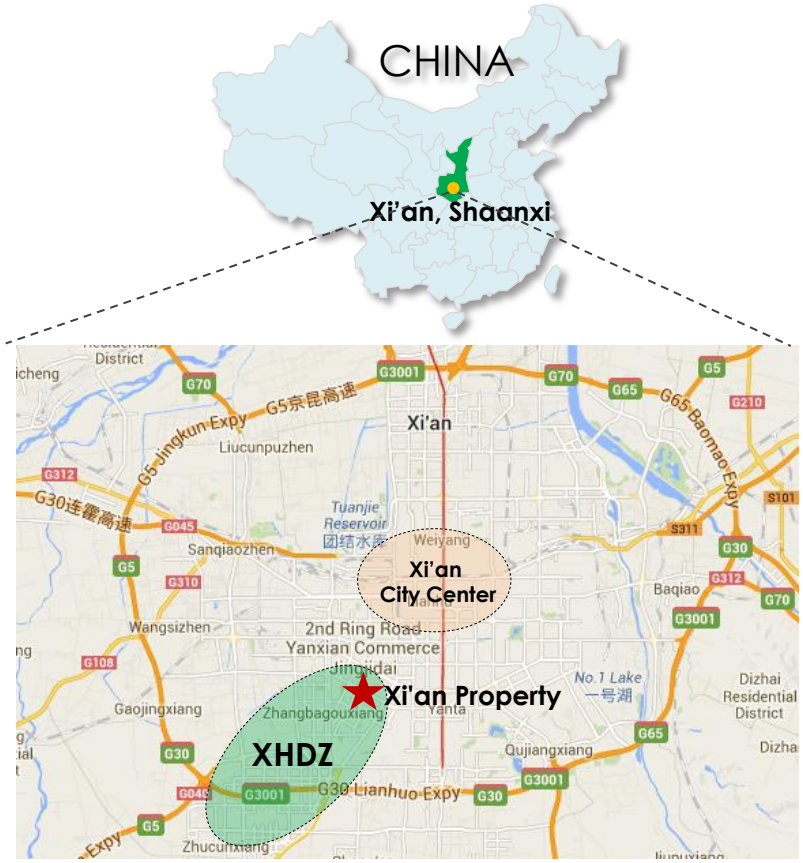
*Notes:*

1. *Based on exchange rate of RMB1.00 to $0.20404*
2. *Average of the appraised values provided by the Independent Valuers, namely, Jones Lang LaSalle Property Consultants Pte Ltd and Cushman & Wakefield VHS Pte. Ltd.*
3. *Fully opened in 2011*

# Competitive Strengths of the Target Properties

## Competitive Strengths of the Xi'an Property

**The Xi'an Property is located at the heart of Xi'an Hi-Tech Industries Development Zone ("XHDZ") in Xi'an, China, one of the earliest and most successful Chinese science parks at the national level**




***Strategically located in a prime location with ready catchment for serviced residence market***

— Key industries in XHDZ include electronic, manufacturing, biomedical industry and modern services

— MNCs such as Micron, Honeywell, Intel, Infineon and Samsung Electronics have set up production facilities or R&D centers in XHDZ

***Continued entry of foreign MNCs and domestic enterprises to XHDZ is expected to support demand for the Xi'an Property***

— FDI into Xi'an surged 26.3% YoY in 2013 to US$3.1b[1]

— Samsung announced in 2012, plans to invest US$7.5b to construct a flash memory chip plant in XHDZ, expected to be competed in 2Q 2014

— Johnson & Johnson announced in late 2013 plans to build its largest supply chain production base in XHDZ

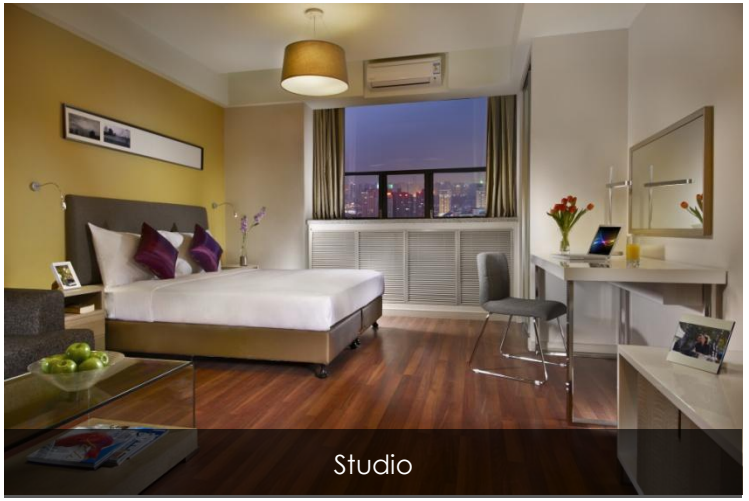
1. *Xi'an statistics bureau*

# Competitive Strengths of the Target Properties

## Competitive Strengths of the Xi'an Property

1. Strategically located at the heart of Xi'an Hi-Tech Industries Development Zone, where many foreign MNCs and domestic enterprises are sited
2. Tourist attractions such as the Bell Tower, the Drum Tower, the Grand Mosque and Xi'an Ancient City Wall are located within 15 minutes' drive from the property
3. The property is new; only fully opened in 2011





Studio


2-Bedroom – Living Room

# Rationale for the Target Acquisitions




Citadines Suites Louvre Paris

# Rationale for the Target Acquisitions

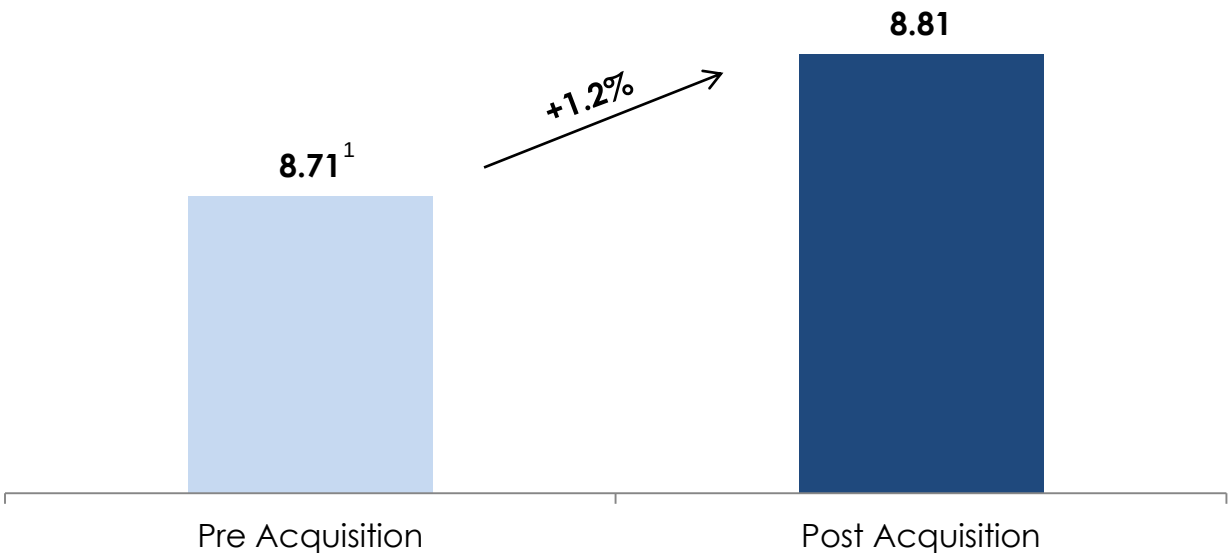
## Key Rationale

1. Enhance DPU to Unitholders
2. Broaden Earnings Base with Increased Portfolio Scale
3. Enhance Geographical Diversification
4. Maiden Investment into Malaysia
5. Deepening of Ascott REIT's Presence in the Key Growth Market of China

# Rationale for the Target Acquisitions

## 1 Enhance DPU to Unitholders

**Distribution Per Unit (S cents)**




FY 2013 pro forma DPU will increase by 1.2% from 8.71 cents[1] to 8.81 cents[2] post acquisition

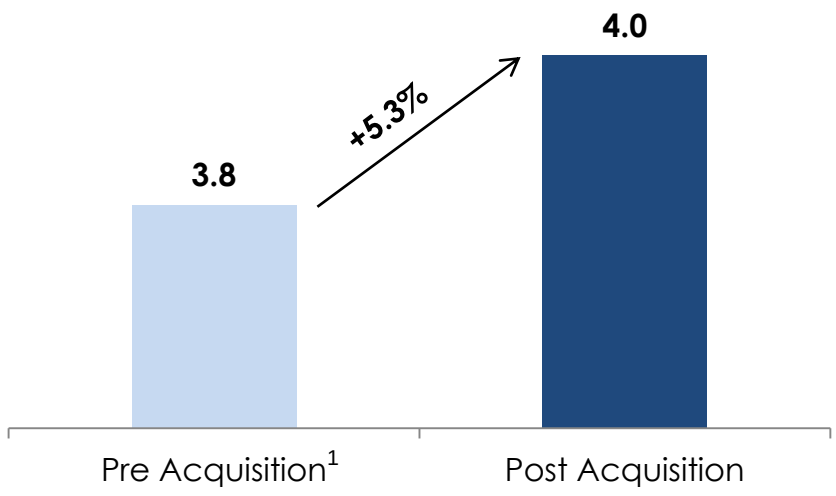
1. *Adjusted for the pro forma financial effects of the acquisition of the Somerset Grand Central Dalian (as announced on 20 February 2014) and Infini Garden (as announced on 21 March 2014)*
2. *Assuming that the Target Acquisitions would be funded entirely by debt*

# Rationale for the Target Acquisitions

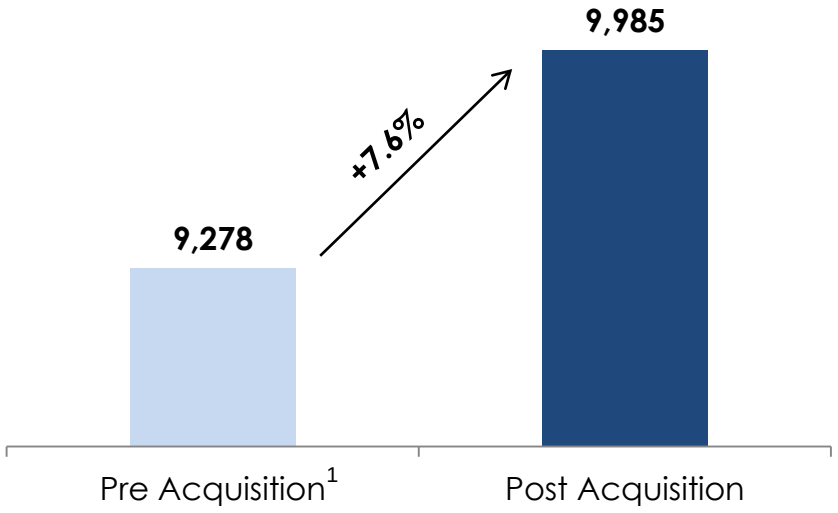
## 2 Broaden Earnings Base With Increased Portfolio Scale

- Post acquisition, Ascott REIT's total assets is expected to increase 5.3% to $4.0b
- The number of apartment units will increase 7.6% to 9,985 in 86 properties in 36 cities across 13 countries

**Total Assets ($ billon)**




**Number of Apartment Units**




The Target Acquisitions will enable Ascott REIT to benefit from a broader earnings base, thereby raising the profile of Ascott REIT among global investors

1. *Portfolio as of 31 December 2013, and including the acquisition of the Somerset Grand Central Dalian (as announced on 20 February 2014) and Infini Garden (as announced on 21 March 2014) but excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017*

# Rationale for the Target Acquisitions

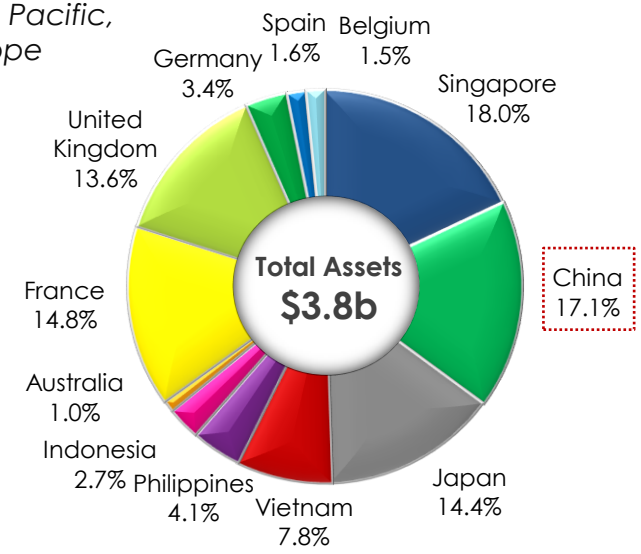
## 3 Enhance Geographical Diversification

- Post acquisition, exposure to the growing markets of Asia will increase from 65% to 67% of total assets
- The remaining 33% of total assets will be in stable European markets

**Breakdown of Ascott REIT's Assets by Geography**

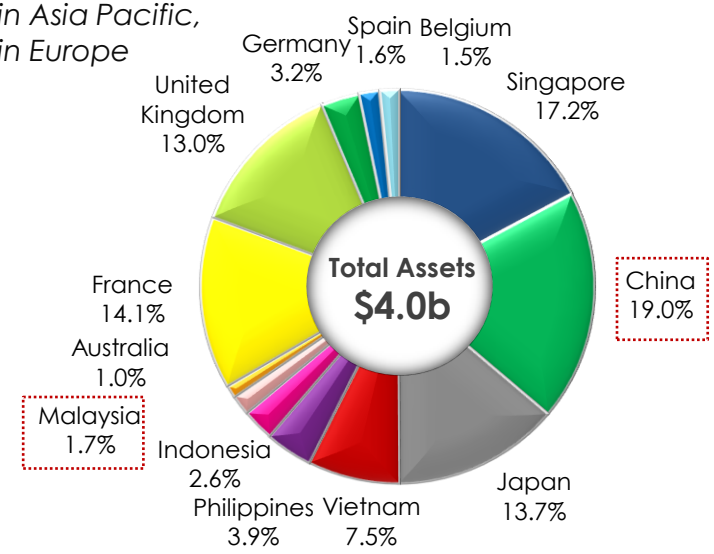
**Pre Acquisition[1]**

- *65.1% in Asia Pacific,*
- *34.9% in Europe*




**Post Acquisition**

- *66.6% in Asia Pacific,*
- *33.4% in Europe*




The Target Acquisitions will enhance the diversification of Ascott REIT's portfolio in terms of geographical spread and across property and economic cycles

1. *Portfolio as of 31 December 2013, and including the acquisition of the Somerset Grand Central Dalian (as announced on 20 February 2014) and Infini Garden (as announced on 21 March 2014) but excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017*

# Rationale for the Target Acquisitions

## 4 Maiden Investment into Malaysia

**Ascott REIT's first foray into the established hospitality market of Kuala Lumpur**

***Main gateway for international travellers to Malaysia***

— In 2013, Malaysia hosted conferences, corporate meetings and incentive groups that contributed MYR1.2b to the economy

— The city is set to become one of the leading locations for MICE in Asia, with several international events already planned for the next few years

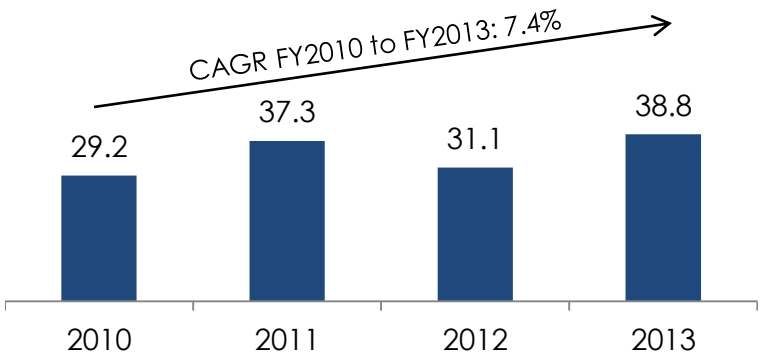
***An ideal business and investment location to attract an influx of foreign, high-level corporate investments***

— An attractive location for MNCs to set up their regional hubs given the combination of modern infrastructure and quality facilities

— In 2012, the Malaysia Government embarked on a growth programme aimed at creating US$452b worth of investment; of which 27% would be expected to come from foreign direct investment ("FDI")

— In 2013, FDI increased 25% Y-o-Y to MYR38.8b

**Malaysia FDI (MYR'b)[1]**




Growth in FDI is expected to gain momentum going forward given various pro-business government policies

1. *Source: Kuala Lumpur statistics bureau*

# Rationale for the Target Acquisitions

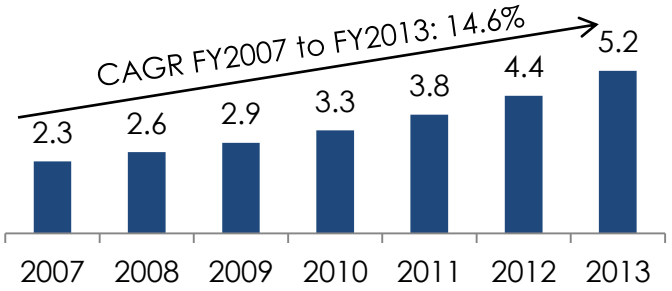
## 5 Deepening of Ascott REIT's Presence in the Key Growth Market of China

**Expand footprint to China's high-growth regional cities of Wuhan and Xi'an**

***Wuhan – one of the most economically vibrant cities in central China and a major transportation, commercial and financial hub***

- Home to many Fortune 500 companies
- Rising expatriate population and business travellers in Wuhan provide a base of strong demand for international-class serviced residences

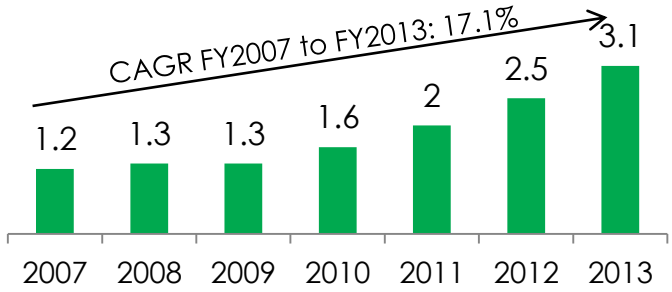
**Wuhan FDI (USD'b)[1]**




***Xi'an – one of the most developed cities in north-west China***

- Many global high-tech giants have been setting up large-scale manufacturing and R&D bases in Xi'an
- Key driver of corporate demand for accommodation in Xi'an

**Xi'an FDI (USD'b)[2]**

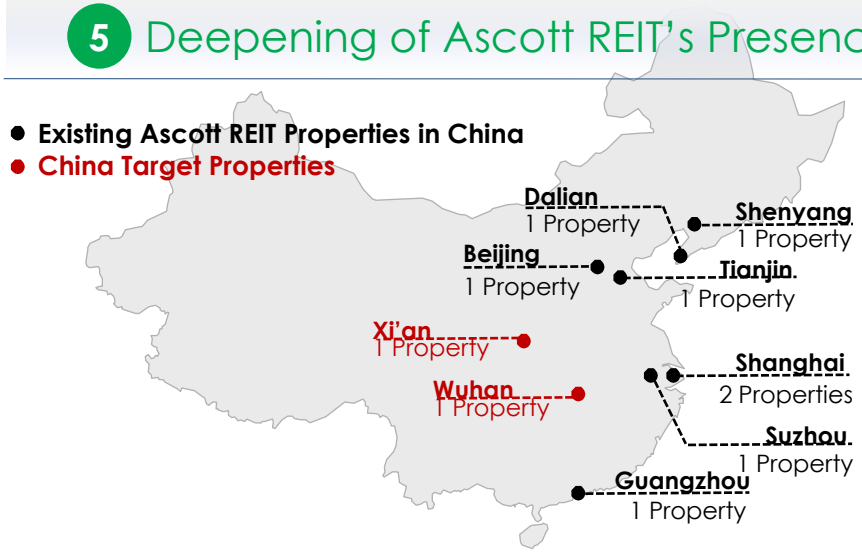



Wuhan and Xi'an have seen strong FDI growth due to the central government's policies to develop China's inland regions

1. *Source: Wuhan statistics bureau*
2. *Source: Xi'an statistics bureau*

# Rationale for the Target Acquisitions

## 5 Deepening of Ascott REIT's Presence in the Key Growth Market of China




### Target Properties in China




### Existing Properties in China




Following completion of the acquisitions of the Wuhan Property and the Xi'an Property, Ascott REIT will have presence in **nine cities** across China

# Impact on Ascott REIT



Ascott Raffles Place Singapore

# Impact on Ascott REIT

## Pro Forma Financial Effects

| | Pre Acquisition[1] | Post Acquisition |
|---|---|---|
| **DPU** | 8.71 cents | 8.81 cents |
| **Distribution Yield [2]** | 7.2% | 7.3% |
| **Net Asset Value Per Unit** | $1.37 | $1.37 |
| **Gearing** | 37.5% | 40.2% |

1. *Adjusted for the pro forma financial effects of the acquisition of the Somerset Grand Central Dalian (as announced on 20 February 2014) and Infini Garden (as announced on 21 March 2014)*
2. *Computed based on the closing Unit price of $1.21 on 31 December 2013*

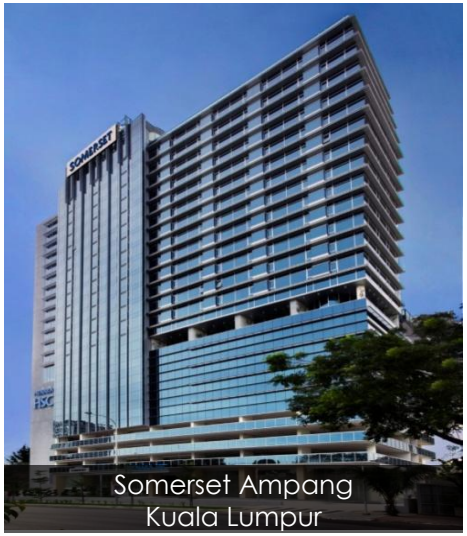
# Overview of Funding Structure




Somerset Liang Court Singapore

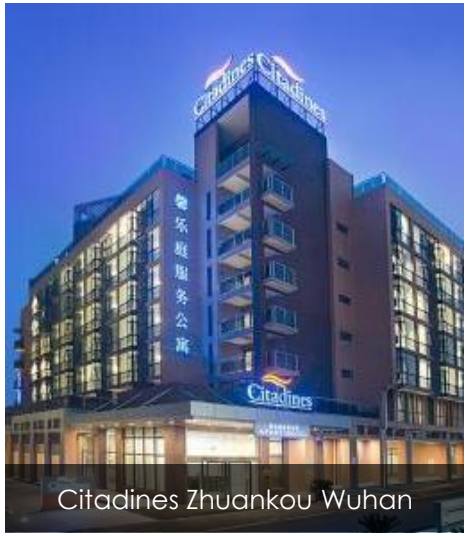
# Overview of Funding Structure

## Debt financing from the existing debt facilities



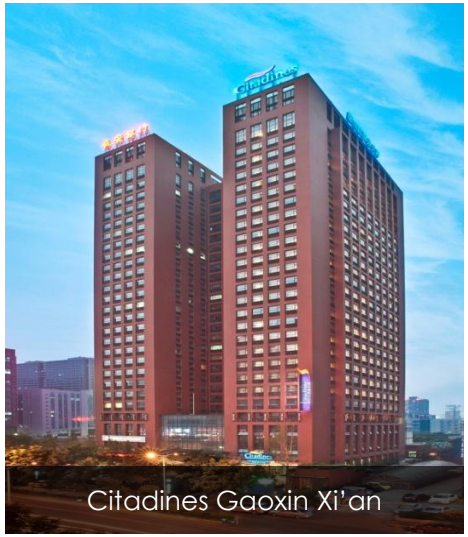

Somerset Ampang Kuala Lumpur

$65.3m




Citadines Zhuankou Wuhan

$31.7m




Citadines Gaoxin Xi'an

$34.6m

**Transaction Expenses**

$1.7m[1]

**Total use of funds: $133.3m**

Target Acquisitions to be entirely funded by debt from existing debt facilities available to Ascott REIT

*Note: Based on exchange rates of MYR1.00 to $0.38538, RMB1.00 to $0.20404, and US$1.00 to $1.25596*

1. *Excludes acquisition fees of approximately $1.7 million, which will be payable in Units to the Manager*

# Conclusion




Citadines Mount Sophia

# Conclusion

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## The Proposed Acquisition of Serviced Residence Properties in Malaysia and China

| | |
|---|---|
| **Enhance DPU to Unitholders** | ▪ FY2013 pro forma DPU will ↑ by 1.2% from 8.71 cents[1] to 8.81 cents[2] post acquisition |
| **Broaden Earning Base with Increased Portfolio Scale** | ▪ Total assets is expected to increase 5.3% to $4.0b post acquisition<br>▪ The number of apartment units will increase 7.6% to 9,985 in 86 properties in 36 cities across 13 countries |
| **Enhance Geographical Diversification** | ▪ Exposure to Asia will increase to 67% of total assets post acquisition<br>▪ The remaining 33% of total assets will be in stable European markets |
| **Maiden Investment into Malaysia** | ▪ Main gateway for international travellers to Malaysia<br>▪ An ideal business and investment location to attract an influx of foreign, high-level corporate investments |
| **Deepening of Ascott REIT's Presence in the Key Growth Market of China** | ▪ Expand footprint to China's high-growth regional cities of Wuhan and Xi'an<br>▪ Ascott REIT will have presence in nine cities across China post acquisition |

1. *Adjusted for the pro forma financial effects of the acquisition of the Somerset Grand Central Dalian (as announced on 20 February 2014) and Infini Garden (as announced on 21 March 2014)*
2. *Assuming that the Target Acquisitions would be funded entirely by debt*

CapitaLand

# Conclusion

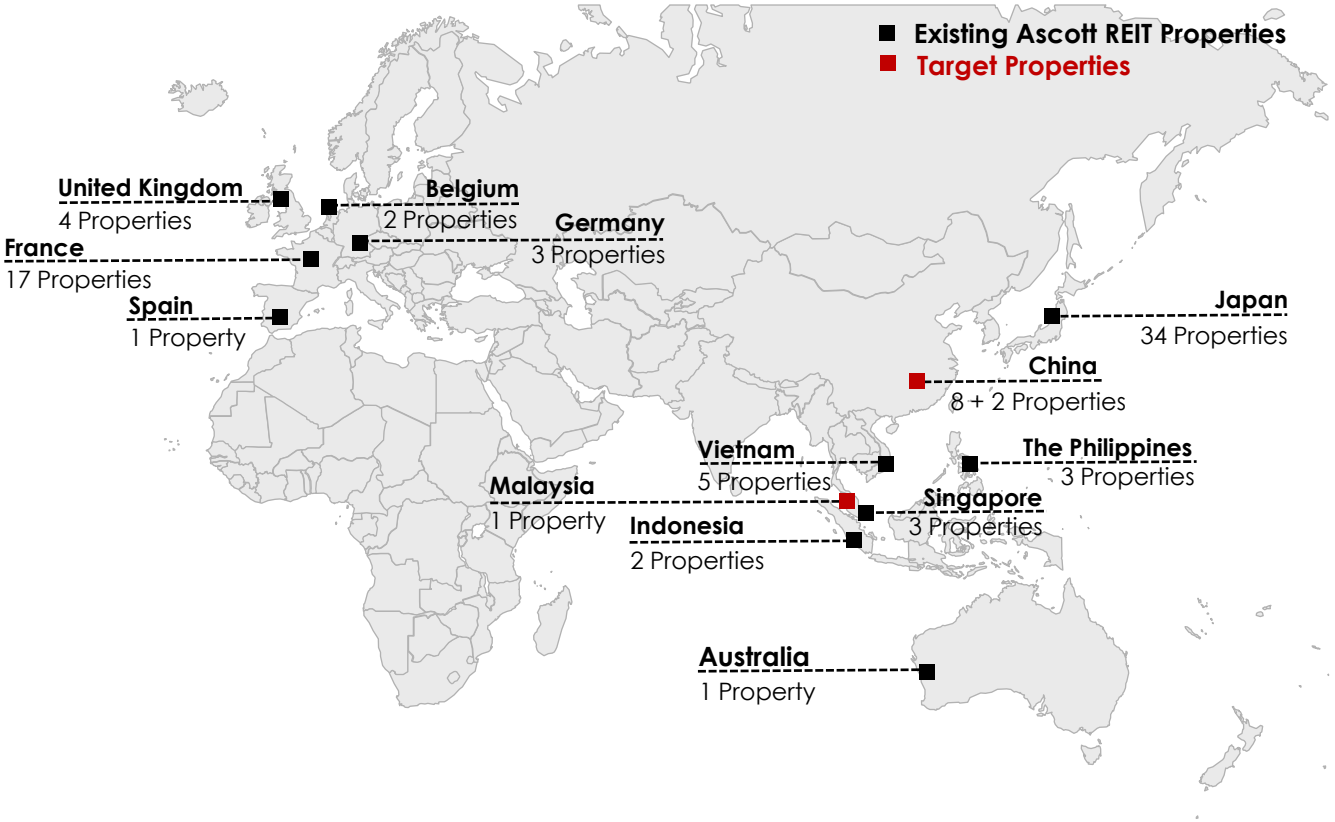
## Overview of Ascott REIT's Portfolio Post Acquisition

**$4.0b**
Total Assets

**9,985**
Units

**86**
Properties

**36**
Cities in 13 Countries




Extraordinary
General Meeting
Ascott Raffles Place Singapore

# Extraordinary General Meeting

## Resolution: The Target Acquisitions (Ordinary Resolution)

RESOLVED that:

i. approval be and is hereby given for the acquisition of three serviced residence properties, namely

   a) the KL Property from Ascott Investment Holdings Ltd through the acquisition of a 100.0% interest in Somerset Ampang (Malaysia) Sdn. Bhd. (which owns a 100.0% interest in the KL Property);

   b) the Wuhan Property from Zhuankou Investments (BVI) Limited through the acquisition of a 100.0% interest in Zhuankou Investments (Hong Kong) Limited (which owns through its wholly-owned subsidiary, Wuhan Citadines Property Development Co., Ltd., a 100.0% interest in the Wuhan Property); and

   c) the Xi'an Property from Gaoxin Investments (BVI) Limited through the acquisition of a 100.0% interest in Gaoxin Investments (Hong Kong) Limited (which owns through its wholly-owned subsidiary, Citadines (Xi'an) Property Co., Ltd., a 100.0% interest in the Xi'an Property),

   for an estimated aggregate purchase consideration of $131.6 million, and

ii. Ascott Residence Trust Management Limited, as manager of Ascott REIT, any director of the Manager and the DBS Trustee Limited be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, the Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Ascott REIT to give effect to the Target Acquisitions.

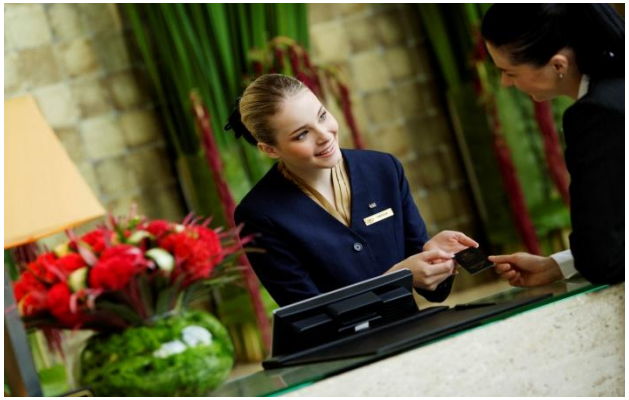
# Extraordinary General Meeting

## Important Dates and Times

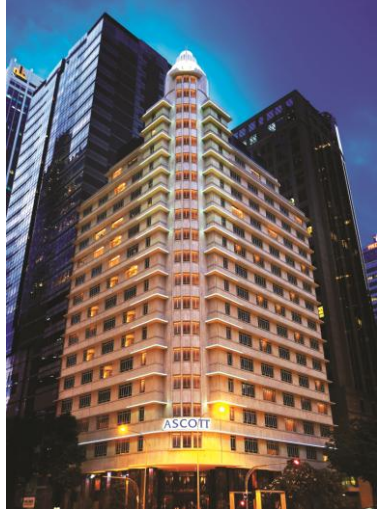
| Event | Date and Time |
|---|---|
| Last date and time for lodgment of Proxy Forms | Tuesday, 29 July 2014 at 10.00 a.m. |
| Date and time of the Extraordinary General Meeting | Thursday, 31 July 2014 at 10.00 a.m. |
| Place of Extraordinary General Meeting | STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912 |










ASCOTT

RESIDENCE TRUST

A Member of CapitaLand

# Thank You