

## **ASCOTT REIT'S S\$250 MILLION PERPETUAL SECURITIES RECEIVE STRONG INVESTOR PARTICIPATION WITH ORDERS EXCEEDING S\$1 BILLION**

*Singapore, 23 June 2015* – Ascott Residence Trust (Ascott Reit) has successfully raised S\$250 million from the issuance of perpetual securities at a fixed distribution rate of 4.68% per annum. The perpetual securities received strong investor participation with orders exceeding four times of the issue size. Proceeds from the perpetual securities will be used to fund potential acquisitions in the future.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "The issuance of perpetual securities is part of Ascott Reit's prudent capital management strategy to tap diversified funding sources and enhance our financial flexibility to seize growth opportunities. Perpetual securities is a good source of funding to finance our acquisitions while maintaining our gearing at about 40%. We are encouraged by the strong investor confidence in our growth strategies as we continue to strengthen Ascott Reit's position as the largest hospitality trust in Singapore by asset value. To further optimise returns for Unitholders, we are actively pursuing acquisitions to enhance Ascott Reit's portfolio as we seek to achieve our target asset size of S\$6.0 billion by 2017."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Ascott Reit's S\$250 million perpetual securities have attracted strong participation from institutional investors and private banking clientele. Our maiden issuance of S\$150 million perpetual securities in October last year has been trading above par, demonstrating the high demand for our perpetual securities. We thank our investors for their continued support of Ascott Reit."

The perpetual securities which will be accounted as equity will be unrated. In April this year, Moody's Investors Service improved Ascott Reit's rating from Baa3 corporate family rating to Baa3 issuer rating, recognising the trust's stable and healthy financial profile, supported by a track record of prudent financial management.

OCBC Bank is the sole lead manager, bookrunner and underwriter for the issuance of the perpetual securities.

### **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 quadrupled to S\$4.1 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 90 properties with 10,500 units in 37 cities across 13 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 Barcelona, Berlin, Brussels, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Munich, Paris, Perth, Shanghai, Singapore and Tokyo.

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.

### **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.

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