

ASCOTT REIT ACQUIRES PRIME ASSET IN TOKYO FOR JPY8 BILLION

Hotel in Shinjuku is Ascott Reit's sixth acquisition this year

Singapore, 16 October 2014 – Ascott Residence Trust (Ascott Reit) has acquired a prime hotel in Tokyo, Japan at a price of JPY8 billion (approximately S\$95.2 million¹). The accretive acquisition at an EBITDA yield of 4.3% is expected to increase Ascott Reit's FY 2013 distribution per unit by 0.6% from 8.40 cents² to 8.45 cents on a pro forma basis.

Strategically located in the heart of Shinjuku, the 206-unit hotel is the sixth property that Ascott Reit has acquired this year. It follows Ascott Reit's acquisitions of a rental housing property in Fukuoka, Japan and four serviced residences in Kuala Lumpur, Malaysia as well as Dalian, Wuhan and Xi'an in China.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "We have acquired a prime asset in Tokyo at the right market cycle now. This acquisition expands Ascott Reit's presence in Japan as the world's third largest economy continues to recover after the government's introduction of fiscal and monetary stimulus initiatives. Japan's tourism also saw a record-breaking 10 million foreign visitors in 2013, and the market remains brisk in 2014 due to the proliferation of low-cost carriers and relaxation of visa requirements. With the upcoming Tokyo Olympics and the government's plan to hit 20 million foreign visitors by 2020, the hospitality market is expected to be further boosted and Ascott Reit will be well poised to ride on this growth."

Ascott Reit has acquired the hotel, which is currently operating as Best Western Shinjuku Astina, from Japanese property company, Kabushiki Kaisha Oumi. The hotel will be converted and rebranded into a Citadines-branded serviced residence to be managed by The Ascott Limited (Ascott) in 2015.

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "The property is a quality asset with an excellent location in Shinjuku. It has been operating above 90% occupancy with consistent growth in average daily rate. With the property coming under the management of Ascott, it will be able to leverage Ascott's strong brand recognition and global distribution network. As Ascott is currently also managing our three serviced residences in Japan, we expect to benefit from greater operational efficiency and economy of scale, which will translate into higher operating margins for our properties in Japan."

Mr Tay added: "Ascott Reit's properties in Japan performed strongly in 1H 2014. Revenue for Japan increased 68%³ mainly due to the acquisitions

¹Based on exchange rate of JPY1.00 = S\$0.0119.

²Based on the 2013 Audited Consolidated Financial Statements.

³Based on revenue in local currency.



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of 11 rental housing properties in 2013 and Infini Garden in Fukuoka in March 2014, as well as stronger demand for our serviced residences from corporate and leisure travellers. Revenue increased by 9.8%³ on a same-store basis while revenue per available unit for our serviced residences increased by 13.3%. This acquisition in Shinjuku has increased our assets in Japan to 16.5% of Ascott Reit's total portfolio value, broadened our earning base, and will further enhance Ascott Reit's portfolio."

The hotel faces the Shinjuku Ward Office and is surrounded by many restaurants, entertainment outlets and department stores such as Isetan and OIOI. It also houses three restaurants and a convenience store. Moreover, it is only a minute walk to the underground linkway leading to Shinjuku Station, one of the world's busiest transport hubs that connects central and western Tokyo by rail and subway. The Shinjuku 3 Chome and Higashi Shinjuku metro stations are also nearby.

Besides the hotel, Ascott Reit currently owns three serviced residences (Citadines Shinjuku Tokyo, Somerset Azabu East Tokyo and Citadines Karasuma-Gojo Kyoto) as well as 31 rental housing properties with 2,284 apartment units across seven major cities in Japan.

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 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 87 properties with 10,191 units in 36 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 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.

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