



ASCOTT

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ASCOTT REIT ACQUIRES ACCRETIVE ASSET IN FUKUOKA FOR JPY6.3 BILLION

Singapore, 21 March 2014 – Ascott Residence Trust (Ascott Reit) has acquired a rental housing property in Fukuoka named Infini Garden for JPY6.3 billion (approximately S\$78.4 million¹) at an EBITDA yield of 6.6%. On a pro forma basis, the accretive acquisition is expected to increase FY 2013 distribution per unit by 2.1% from 8.40 cents to 8.58 cents. Ascott Reit has acquired the 389-unit Infini Garden from The Ascott Limited (Ascott) and ArcResidential Japan Investments Limited.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Infini Garden is Ascott Reit's second acquisition after we acquired our first property in Dalian in February since our successful rights issue in December 2013 which raised S\$253.7 million. Infini Garden is another quality asset with a strategic location that will further enhance returns for Unitholders. We will continue to look out for yield accretive acquisitions in other key cities."

Mr Lim added: "Infini Garden is our second property in Fukuoka. It will strengthen Ascott Reit's presence in Japan, the world's third largest economy. Japan's economy has rebounded sharply following the government's fiscal and monetary policy stimulus package. Fukuoka Prefecture's gross domestic product is approximately US\$196 billion². It is the business and transportation hub of the Kyushu region, and Japan's gateway to the rest of Asia. Fukuoka is also one of the few cities in Japan which has seen a modest growth in population over the years. About 400 foreign firms and many large Japanese corporations are based in Fukuoka due to its well-developed industrial infrastructure."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Our current 30 rental housing properties in Japan provide stable income with an average occupancy of 95%. Infini Garden will further enhance the stability of Ascott Reit's income as the property is under a master lease to a third party."

Mr Tay added: "Our properties in Japan continue to perform strongly. Revenue for our Japan properties increased by 186%³ for FY 2013 compared to FY 2012. This is mainly because of the 11 rental housing properties we acquired in 2013 and higher demand from corporate and leisure travellers. Besides the 30 rental housing properties, we also have three serviced residences in Japan and revenue per available unit for our serviced residences also improved by 12%³ for FY 2013."

Infini Garden is centrally located in Island City, which has become an increasingly popular area after it underwent a major infrastructure development in recent years. The rental housing property is near the

¹ Based on exchange rate of JPY1.00 = S\$0.01244.

² Survey & Statistics Division / Policy Planning & Regional Development Department in Fukuoka Prefecture, 2010.

³ Based on local currencies.

upcoming Fukuoka Children's Hospital and a 25-minute drive to the central business district. It offers two-, three- and four-bedroom apartments.

In Japan, Ascott Reit currently owns three serviced residences and 30 rental housing properties with about 1,900 apartment units across major cities including Tokyo, Fukuoka, Hiroshima, Kyoto, Saga, Sapporo and Sendai.

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 almost quadrupled to about S\$3.4 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 81 properties with 8,692 units in 32 cities across 12 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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