

ASCOTT REIT TO ACQUIRE ACCRETIVE ASSETS IN CHINA AND JAPAN FOR S\$287 MILLION

Singapore, 2 May 2013 – Ascott Residence Trust (Ascott Reit) has entered into conditional agreements to acquire three prime serviced residences in China and a stable portfolio of 11 rental housing properties in Japan (the Acquisitions) for S\$287.4 million at an EBITDA yield of 5.4%. On a pro forma basis, the accretive Acquisitions are expected to increase FY 2012 distribution per unit by 2.9% from 8.76 cents to 9.01 cents.

Ascott Reit will acquire Citadines Biyun Shanghai and Somerset Heping Shenyang for RMB321 million (approximately S\$63.2 million¹) and RMB438 million (approximately S\$86.2 million¹) respectively from Ascott Serviced Residence (China) Fund, in which The Ascott Limited (Ascott) holds a 36.1% stake. Ascott Reit will acquire Citadines Xinghai Suzhou from Ascott for RMB118 million (approximately S\$23.2 million¹). The three serviced residences in China will continue to be managed by Ascott.

In addition, Ascott Reit will acquire 11 rental housing properties in Japan for JPY9.2 billion (approximately S\$114.8 million²) from ACRJ3 Pte. Ltd., an 88.9% owned subsidiary of Ascott. The rental housing properties have a total of 959 apartment units across six cities in Japan, namely Fukuoka, Sapporo, Kyoto, Hiroshima, Saga and Sendai.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Asia remains a hotspot for Ascott Reit to grow. We are acquiring quality assets in China and Japan, two of the world's largest economies. This will increase our Asia portfolio from 59% to 63% of our total asset value. The Acquisitions demonstrate our ability to invest the S\$150 million raised recently from our equity placement which was completed on 6 February 2013."

Mr Lim added: "The Acquisitions will broaden Ascott Reit's earning base and increase the scale of our portfolio. Besides adding 1,576 apartment units to our current 7,060 apartment units, Ascott Reit's asset size will increase by 11% from S\$2.8 billion to S\$3.1 billion. The number of cities where Ascott Reit has its presence will also be increased from 25 to 32 cities. These will raise our profile amongst global investors."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "China is a key growth market for Ascott Reit. The Acquisitions will deepen our presence in Shanghai as its economy continues to grow and demand for serviced residences remains strong. We will also expand to the growing cities of Shenyang and Suzhou."

¹ Based on exchange rate of RMB1.00 = S\$0.19676.

² Based on exchange rate of JPY1.00 = S\$0.01248.



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“In Japan, the two properties in Fukuoka and Sapporo constitute about 50% of the portfolio value and EBITDA contribution of the 11 rental housing properties. Fukuoka is the capital city of the Fukuoka Prefecture and the economic and transportation hub for the Kyushu region. Sapporo, the fourth most populated city in Japan, is the capital and largest city of the Hokkaido Prefecture. It also serves as the political, economic and manufacturing centre of the prefecture. We continue to expand our presence in Kyoto with two more properties which are under master leases. The remaining seven properties in Hiroshima, Saga and Sendai constitute 40% of the portfolio value and EBITDA contribution, about half of which comes from master leases, namely the two properties in Saga and the one property in Sendai.”

Mr Tay added: “The 11 rental housing properties, which cater mainly to Japanese on long stay of one to two years, have enjoyed a steady occupancy of above 95% over the past few years. Moreover, five of them are master leased to third parties. Our Acquisitions in Japan will further enhance Ascott Reit’s income stability.”

The Acquisitions will be funded partly by the S\$150 million raised from Ascott Reit’s equity placement and the balance will be funded by debts.

The Acquisitions of Citadines Biyun Shanghai, Somerset Heping Shenyang, Citadines Xinghai Suzhou and the 11 rental housing properties are inter-conditional. Ascott Reit will seek Unitholders’ approval for the transactions at an extraordinary general meeting to be held on 30 May 2013.

Please refer to Annex for more information on the properties for acquisition.

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 tripled to about S\$2.8 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. When the acquisitions of the new Cairnhill serviced residence in Singapore, Citadines Biyun Shanghai, Somerset Heping Shenyang, Citadines Xinghai Suzhou and the 11 rental housing properties in Japan are completed, Ascott Reit’s international portfolio will expand to S\$3.5 billion comprising 82 properties with 9,003 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.

About The Ascott Limited

The Ascott Limited is a Singapore company that has grown to be the world's largest international serviced residence owner-operator. It has more than 22,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as over 8,000 units which are under development, making a total of more than 31,000 units in over 200 properties.

The company operates three brands – Ascott, Citadines and Somerset. Its portfolio spans over 70 cities across more than 20 countries, 15 of which are new cities in Ascott's portfolio where its serviced residences are being developed.

Ascott, a wholly-owned subsidiary of CapitaLand Limited, pioneered Asia Pacific's first international-class serviced residence with the opening of The Ascott Singapore in 1984. In 2006, it established the world's first Pan-Asian serviced residence real estate investment trust, Ascott Residence Trust. Today, the company boasts a 29-year industry track record and award-winning serviced residence brands that enjoy recognition worldwide.

Ascott's achievements have been recognised internationally. Recent awards include DestinAsian Readers' Choice Awards 2013 for 'Best Serviced Apartment/Residence Operator', TTG China Travel Awards 2013 for 'Best Serviced Residence Operator in China', TTG Travel Awards 2012 for 'Best Serviced Residence Operator', Business Traveller Asia-Pacific Awards 2012 for 'Best Serviced Residence Brand' and 'Best Serviced Residence in Asia-Pacific', and Business Traveller UK Awards 2012 for 'Best Serviced Apartment Company'.

Visit www.the-ascott.com for more information and connect with us on social media at www.the-ascott.com/connect.

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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Annex

Citadines Biyun Shanghai

Citadines Biyun Shanghai is located within the Jinqiao Export Processing Zone in Pudong District, which houses more than 50 Fortune 500 companies. It is also a 10-minute drive from Zhangjiang High-Tech Park and is situated just minutes from the Jinqiao Biyun International District, Carrefour supermarket, Tomson Golf Club as well as dining and retail outlets. Citadines Biyun Shanghai offers 180 units ranging from studios to three-bedroom duplex apartments.

Somerset Heping Shenyang

Somerset Heping Shenyang has a strategic location in Shenyang's main commercial and shopping district with an array of dining, retail and entertainment options. The serviced residence is within a 10-minute walk from Shenyang Railway station and Shenyang Metro station. It is also near the Parkson Department Store, City Plaza Building and President Building. Somerset Heping Shenyang offers 270 spacious one- to three-bedroom apartments.

Citadines Xinghai Suzhou

Citadines Xinghai Suzhou is located in the heart of Suzhou Industrial Park, close to the Central Business District in the west of Jinji Lake. The serviced residence is within walking distance from a multitude of restaurants, entertainment and shopping outlets. Citadines Xinghai Suzhou offers 167 units comprising studios, one-bedroom and two-bedroom apartments.

The following table shows key information relating to the serviced residences in China for acquisition:

	Property Name	Address	Number of Apartment Units	Gross Floor Area (sq m)	Agreed Property Value (\$ million)	Title
1.	Citadines Biyun Shanghai	No. 1-3, 9-12, 15-16, Lane 450 Hongfeng Road, Pudong District, Shanghai, China	180	15,877.2	63.2	Leasehold estate for 70 years ending on 30 November 2064
2.	Somerset Heping Shenyang	80 Taiyuan North Street, Heping District, Shenyang, China	270	33,030.8	86.2	Leasehold estate for 40 years ending on 30 October 2046
3.	Citadines Xinghai Suzhou	Block 27, Jiacheng Gardens 58 Xinghai Street, Suzhou Industrial Park, Suzhou, China	167	10,166.4	23.2	Leasehold estate for 70 years ending on 31 December 2066

11 rental housing properties in Japan

The rental housing properties have good locations near subway stations, shopping malls, government offices, universities and hospitals. The properties offer a range of one- to four-bedroom apartments.

The following table shows key information relating to the rental housing properties for acquisition:

	Property Name	Location	Number of Apartment Units	Gross Floor Area (sq m)	Agreed Property Value (S\$ million)	Title
1.	Actus Hakata V-Tower	Fukuoka	296	9,306.4	114.8	Freehold
2.	Big Palace Kita 14jo	Sapporo	140	5,895.7		
3.	Grand E'terna Nijojomae *	Kyoto	47	1,736.0		
4.	Grand E'terna Chioninmae *		17	1,049.0		
5.	Gravis Court Kakomachi	Hiroshima	63	2,270.4		
6.	Gravis Court Kokutaiji		48	1,659.1		
7.	Gravis Court Nishiharaekimae		29	1,151.2		
8.	Grand E'terna Saga *	Saga	123	4,989.9		
9.	Grand E'terna Saga Idaidori *		46	1,507.4		
10.	Grand Mire Miyamachi	Sendai	91	2,310.6		
11.	Grand Mire Shintera *		59	1,711.3		

* *Under master lease*