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ASCENDAS HOSPITALITY TRUST

A stapled group comprising:

Ascendas Hospitality Real Estate Investment Trust

(a real estate investment trust constituted on 13 March 2012 under the laws of the Republic of Singapore) managed by

Ascendas Hospitality Fund Management Pte. Ltd.

Ascendas Hospitality Business Trust

(a business trust constituted on 13 March 2012 under the laws of the Republic of Singapore) managed by

Ascendas Hospitality Trust Management Pte. Ltd.

LAUNCH OF PRIVATE PLACEMENT TO RAISE NO LESS THAN S\$50.0 MILLION TO PARTIALLY FUND THE PROPOSED ACQUISITION OF OSAKA NAMBA WASHINGTON HOTEL PLAZA

1. INTRODUCTION

Further to the announcement dated 26 March 2014 in relation to the proposed acquisition of Osaka Namba Washington Hotel Plaza (the "**Acquisition**"), Ascendas Hospitality Fund Management Pte. Ltd., as manager of Ascendas Hospitality Real Estate Investment Trust ("**A-HREIT**", and the manager of A-HREIT, the "**REIT Manager**"), and Ascendas Hospitality Trust Management Pte. Ltd., as trustee-manager of Ascendas Hospitality Business Trust ("**A-HBT**", and the trustee-manager of A-HBT, the "**Trustee-Manager**"), wish to announce that the REIT Manager and the Trustee-Manager (collectively, the "**Managers**") are proposing to offer between 71,943,000 and 73,530,000 new stapled securities in Ascendas Hospitality Trust ("**A-HTRUST**", and the new stapled securities in A-HTRUST, the "**New Stapled Securities**") to raise gross proceeds of no less than S\$50.0 million (the "**Minimum Gross Proceeds**") pursuant to a private placement (the "**Private Placement**"), at an issue price of between S\$0.680 and S\$0.695 per New Stapled Security (the "**Private Placement Issue Price Range**").

UBS AG, Singapore Branch has been appointed as the sole lead manager, bookrunner and underwriter in relation to the Private Placement (the "**Lead Manager, Bookrunner and Underwriter**"). The Managers may, together with the Lead Manager, Bookrunner and Underwriter, decide to increase the size of the Private Placement.

The issue managers for the initial public offering and listing of Ascendas Hospitality Trust were DBS Bank Ltd., Nomura Singapore Limited, Standard Chartered Securities (Singapore) Pte. Limited, and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (collectively, the "**Issue Managers**"). The Issue Managers assume no responsibility for the contents of this announcement.

The Private Placement Issue Price Range represents a discount of between:

- (i) 5.3% and 7.3% to the volume weighted average price (“**VWAP**”) of S\$0.7337 per stapled security in A-HTRUST (“**Stapled Security**”) of trades in the Stapled Securities done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the preceding Market Day¹ on 28 March 2014 and up to the time the Placement Agreement (as defined herein) was signed on 31 March 2014; and
- (ii) (for illustrative purposes only) 1.4% and 3.5% to the adjusted VWAP² (“**Adjusted VWAP**”) of S\$0.7050 per Stapled Security.

The issue price per New Stapled Security for the Private Placement will be determined by the Managers and the Lead Manager, Bookrunner and Underwriter following a book-building process, and will be announced by the Managers thereafter via SGXNET.

The Managers and the Lead Manager, Bookrunner and Underwriter have today entered into a placement agreement (the “**Placement Agreement**”) in relation to the Private Placement. The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of, dealing in and quotation of the New Stapled Securities on the Main Board of the SGX-ST.

2. STATUS OF THE NEW STAPLED SECURITIES

2.1 Entitlement to Cumulative Distribution

A-HTRUST’s policy is to distribute its distributable income on a semi-annual basis to the holders of Stapled Securities (the “**Stapled Securityholders**”). In connection with the Private Placement, the Managers intend to declare a cumulative distribution for (i) the period from 1 October 2013 to 31 March 2014 and (ii) the period from 1 April 2014 to the day immediately prior to the date on which the New Stapled Securities are issued pursuant to the Private Placement (collectively, the “**Cumulative Distribution**”). The Cumulative Distribution is estimated to range from 2.79 cents to 2.95 cents per Stapled Security³. The Cumulative Distribution will only be distributed in respect of the existing Stapled Securities in A-HTRUST in issue immediately prior to the issue of the New Stapled Securities (“**Existing Stapled Securities**”).

A further announcement on the actual amount of Cumulative Distribution (which may differ from the estimate above) will be made by the Managers in due course. The issuance date of the New Stapled Securities pursuant to the Private Placement

1 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2 The Adjusted VWAP is computed based on the volume weighted average price of trades in the Stapled Securities done on the SGX-ST for the preceding Market Day on 28 March 2014 and up to the time the Placement Agreement was signed on 31 March 2014, and subtracting S\$0.0287 (which represents the mid-point of the range of the Cumulative Distribution (as defined herein)). The Cumulative Distribution stated herein is an estimate only based on information currently available to the Managers and the Managers’ estimate of A-HTRUST’s revenue and expenses, and the actual Cumulative Distribution may differ.

3 This range is an estimate only based on information currently available to the Managers and the Managers’ estimate of A-HTRUST’s revenue and expenses, and the actual Cumulative Distribution may differ.

is estimated to be on 9 April 2014. The Managers wish to inform Stapled Securityholders that in arriving at the estimate of the Cumulative Distribution for the period from 1 October 2013 to 8 April 2014, they have included the net impact of partially unwinding the cross-currency swaps for the Australia portfolio (the “**AUD CCS**”) of approximately S\$2.4 million (after taking into account the fair value gain from unwinding the cross-currency swaps for the Japan portfolio due to the refinancing of the Japan asset in December 2013). This had the effect of reducing the estimate of the Cumulative Distribution by approximately 0.23 cents per Stapled Security. The Managers plan to unwind the remaining AUD CCS with a notional amount of approximately AUD50.0 million progressively and expect to complete the unwinding of the AUD CCS by June 2015.

A further announcement on the actual amount of Cumulative Distribution (which may differ from the estimate above) will be made by the Managers in due course. The issuance date of the New Stapled Securities pursuant to the Private Placement is estimated to be on 9 April 2014.

The next distribution thereafter will comprise A-HTRUST’s distributable income for the period from the day the New Stapled Securities are issued pursuant to the Private Placement to 30 September 2014. Semi-annual distributions will resume thereafter.

2.2 Status of New Stapled Securities issued pursuant to the Private Placement

The New Stapled Securities issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Stapled Securities, other than in respect of the Cumulative Distribution. For the avoidance of doubt, the holders of the New Stapled Securities to be issued pursuant to the Private Placement will not be entitled to the Cumulative Distribution.

3. USE OF PROCEEDS

Subject to relevant laws and regulations, the Managers intend to use the gross proceeds of no less than S\$50.0 million from the Private Placement in the following manner:

- (i) approximately S\$45.8 million (which is equivalent to 91.6% of the Minimum Gross proceeds of the Private Placement) to partially fund the proposed Acquisition; and
- (ii) approximately S\$3.5 million (which is equivalent to 7.0% of the Minimum Gross Proceeds of the Private Placement) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by A-HTRUST in connection with the proposed Acquisition and the Private Placement,

with the balance of the gross proceeds of the Private Placement to be used for funding debt repayment and/or future acquisitions and for general corporate and working capital purposes.

Notwithstanding their current intention, the Managers may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at their absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Private Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Managers may, in their absolute discretion, deem fit.

The Managers will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Managers will announce the reasons for such deviation.

4. RATIONALE FOR THE PRIVATE PLACEMENT

The Managers believe that the Private Placement will have the following benefits for the Stapled Securityholders:

4.1 Partially Fund the Proposed Acquisition of Osaka Namba Washington Hotel Plaza

The Managers intend to use proceeds from the Private Placement to partially fund the proposed Acquisition and its associated costs. Osaka Namba Washington Hotel Plaza is the flagship hotel of Washington Hotel K.K.. It is strategically-located in the Namba area in the centre of Osaka's Minami district and is home to the city's most prominent dining, entertainment and shopping districts. Please refer to the announcement dated 26 March 2014 in relation to the proposed Acquisition for more information on Osaka Namba Washington Hotel Plaza.

4.2 Prudent Capital Management

The Managers are of the view that using proceeds from the Private Placement to partially fund the proposed Acquisition and associated costs is in line with the Managers' capital and risk management strategy to employ an appropriate mix of debt and equity in financing acquisitions. The partial funding through equity will reduce the cost of debt financing and potential refinancing or repayment risks, and allow A-HBT to remain within its voluntarily-adopted aggregate leverage limit.

4.3 Increase in the Stapled Securities' Trading Liquidity

Upon the successful completion of the Private Placement, the number of Stapled Securities in issue and A-HTRUST's market capitalisation are expected to increase. The free float of A-HTRUST is also expected to increase and the Managers believe that such increased free float has the potential to enhance the trading liquidity of the Stapled Securities and raise A-HTRUST's profile among investors.

5. AUTHORITY TO ISSUE NEW STAPLED SECURITIES

The New Stapled Securities will be issued pursuant to the general mandate (the “**General Mandate**”) that was given by the Stapled Securityholders to the Managers at the annual general meeting of A-HTRUST held on 26 June 2013, pursuant to which the Managers may, during the period from 26 June 2013 until (i) the conclusion of the next annual general meeting of A-HTRUST or (ii) the date by which the next annual general meeting of A-HTRUST is required by law to be held, whichever is earlier, issue new Stapled Securities, whether by way of rights, bonus or otherwise and/or make or grant offers, agreements or options (collectively, the “**Instruments**”) that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities, provided that the aggregate number of new Stapled Securities to be issued (including new Stapled Securities to be issued in pursuant of Instruments made or granted) shall not exceed 50.0% of the total number of issued Stapled Securities as at 26 June 2013 (excluding treasury units of A-HREIT and A-HBT) (the “**Base Figure**”), of which the aggregate number of new Stapled Securities to be issued other than on a *pro rata* basis to existing Stapled Securityholders, shall not be more than 20.0% of the Base Figure.

As at 26 June 2013, the Base Figure was 967,017,324 and the number of Stapled Securities that can be issued under the General Mandate for a non *pro rata* issuance is 193,403,465.

Taking into account the 3,251,837 Stapled Securities which have been issued in the current financial year ending 31 March 2014 under the General Mandate as payment for the Managers’ fees for the period from 1 April 2013 to 31 December 2013, the balance number of Stapled Securities that can be still be issued under the General Mandate on a non *pro rata* basis is 190,151,628. Therefore, the maximum number of 73,530,000 New Stapled Securities which may be issued pursuant to the Private Placement (assuming the size of the Private Placement is not increased) is within the number of Stapled Securities that can be issued pursuant to the General Mandate on a non *pro rata* basis. Accordingly, prior approval of the Stapled Securityholders is not required for the issue of the New Stapled Securities under the Private Placement.

6. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The offer of New Stapled Securities under the Private Placement will be made to institutional, accredited and other investors.

The New Stapled Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or jurisdiction of the United States or under the securities laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The New Stapled Securities are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The New Stapled Securities have not been registered, and are not expected to be registered, under the Securities Act nor under the securities laws of any other jurisdiction.

The Managers, along with the Lead Manager, Bookrunner and Underwriter, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

7. APPLICATION TO THE SGX-ST FOR APPROVAL IN-PRINCIPLE

The Managers will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Stapled Securities on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

8. INDICATIVE TIMETABLE FOR THE PRIVATE PLACEMENT

The following table sets out the indicative timetable for the Private Placement.

Indicative Date	Event
31 March 2014	Launch of the Private Placement
1 April 2014	Close of the Private Placement
9 April 2014	Listing of New Stapled Securities pursuant to the Private Placement

By Order of the Board
Mary Judith de Souza
Joint Company Secretary
Ascendas Hospitality Fund Management Pte. Ltd.
(Company Registration No. 201133966D)
As manager of Ascendas Hospitality Real Estate Investment Trust

By Order of the Board
Mary Judith de Souza
Joint Company Secretary
Ascendas Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201135524E)
As trustee-manager of Ascendas Hospitality Business Trust

31 March 2014

IMPORTANT NOTICE

Certain monetary amounts set out in this announcement have been subject to rounding adjustments.

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 average daily room rates and occupancy, 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Managers' current view of future events.

The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager, the Trustee-Manager, the REIT Trustee, or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of A-HTRUST is not necessarily indicative of the future performance of A-HTRUST.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities (including without limitation, the Stapled Securities) in the United States or elsewhere. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offering of securities is being made in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.