



An Associate of CapitaLand

(Constituted in the Republic of Singapore pursuant to
a trust deed dated 19 January 2006 (as amended and supplemented))

ANNOUNCEMENT

ACQUISITION OF A RENTAL HOUSING PROPERTY IN FUKUOKA, JAPAN

1. INTRODUCTION

The **Manager** wishes to announce that the **Trustee** has today entered into a **Sale and Purchase Agreement** to acquire the **Property**. The vendors are **AIHL**, a wholly-owned subsidiary of **TAL**, as well as ArcResidential Japan Investments Limited, an unrelated third party. **TAL** is the sponsor and **Controlling Unitholder** of **Ascott REIT**.

The **Acquisition** was completed and the **Target Company** has become a wholly-owned subsidiary of **Ascott REIT**.

2. RATIONALE FOR THE ACQUISITION

The **Manager** believes that the **Acquisition** enables **Ascott REIT** to further expand its foot print in the stable Japanese market. The **Acquisition** is also expected to improve the stability of **Ascott REIT**'s income stream through the underlying master lease for the **Property**.

3. PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

The **Trustee** has entered into the **Sale and Purchase Agreement** with the **Vendors** in relation to the acquisition of the **Property**, through the acquisition of a 100.0% interest in the **Target Company**, which owns 100.0% of the total issued and paid-up share capital of Island City Investments Pte. Ltd. and 100.0% of the preferred shares in Infini Garden Pte. Ltd.¹ The **Ascott Entities** together hold 100.0% of the shares in Infini Garden TMK which in turn holds the trust beneficial interest in respect of the **Property**.

¹ 100.0% of the common shares in Infini Garden Pte. Ltd. is held by Infini Garden Holdings Inc., a charitable trust incorporated in the Cayman Islands.

The **Purchase Consideration** is JPY2,440.2 million (equivalent to approximately S\$30.4 million)², being the net asset value of the **Target Company** after taking into account the agreed value of the **Property** of JPY 6,300.0 million (equivalent to approximately S\$78.4 million)². The **Purchase Consideration** is subject to adjustments post-completion of the **Acquisition**. The **Agreed Property Value** was arrived at on a willing-buyer and willing-seller basis, taking into account, amongst other factors, the two independent valuations of the **Property** by each of **HVS** and **JLL** as described below.

4. VALUATION

Two independent valuers, **HVS** and **JLL**, were appointed by **TAL** and the **Trustee** respectively to value the **Property**. The two independent valuations as of 20 February 2014 by **HVS** and **JLL** are JPY 6,300.0 million (equivalent to approximately S\$78.4 million)² and JPY 6,420.0 million (equivalent to approximately S\$79.9 million)² respectively and were derived using the discounted cash flow method.

5. OTHER INFORMATION

As recorded in **Ascott REIT**'s register of substantial **Unitholders** as at the date of this announcement, **TAL** directly and/or through its subsidiaries has deemed interests of approximately 45.42% in **Ascott REIT** and is regarded as a **Controlling Unitholder** of **Ascott REIT**. **AIHL** is a wholly-owned subsidiary of **TAL** and is therefore an "interested person" under Chapter 9 of the **Listing Manual** and an "interested party" under paragraph 5 of the **Property Funds Appendix**.

The **Acquisition** will therefore constitute an interested person transaction under Chapter 9 of the **Listing Manual** and an interested party transaction under paragraph 5 of the **Property Funds Appendix**. The audit committee of the **Manager** is of the view that the **Acquisition** is based on normal commercial terms and is not prejudicial to the interests of **Ascott REIT** and its minority **Unitholders**.

As at the date of this announcement, the aggregate value of all interested person transactions of **Ascott REIT** with **TAL** and/or its associates for the period from 1 January 2014 to the date of this announcement (including the entry into the **Sale and Purchase Agreement**), is less than 3.0% of **Ascott REIT**'s latest audited net tangible assets as at 31 December 2012.

Save as disclosed above, none of the directors of the **Manager** or **Controlling Unitholders** has any interest, direct or indirect, in relation to the **Acquisition**.

6. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection from 10.00 a.m. to 5.00 p.m.³ at the registered office of the **Manager** at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 from the date of this announcement up to and including the date falling three months thereafter:

² Based on an exchange rate of JPY 1.00 = S\$0.01244.

³ Prior appointment with the **Manager** will be appreciated.

- (i) the **Sale and Purchase Agreement**; and
- (ii) the full valuation reports of the **Property**.

The **Trust Deed** will also be available for inspection at the registered office of the **Manager** for so long as **Ascott REIT** continues to be in existence.

By Order of the Board

Ascott Residence Trust Management Limited

(Company registration no. 200516209Z)

As manager of Ascott Residence Trust

Kang Siew Fong / Regina Tan

Joint Company Secretaries

21 March 2014

Definitions

Acquisition	Acquisition of the Property , through the acquisition of the Target Company
Agreed Property Value	JPY 6,300 million (approximately S\$78.4 million based on an exchange rate of JPY 1.00 = S\$0.01244)
AIHL	Ascott Investment Holdings Ltd
Ascott Entities	Collectively, the Target Company , Island City Investments Pte. Ltd. and Infini Garden Pte. Ltd.
Ascott REIT	Ascott Residence Trust
Controlling Unitholder	A person who holds directly or indirectly 15.0% or more of the nominal amount of Units or in fact exercises control over Ascott REIT
HVS	HVS (SG&R Singapore Pte Ltd)
JLL	Jones Lang LaSalle K. K.
Listing Manual	Listing Manual of the SGX-ST
Manager	Ascott Residence Trust Management Limited, in its capacity as manager of Ascott REIT
Property	Infini Garden, a rental housing property in Japan located at 3-2-2, 3, 4, 5 KashiiTeriha, Higashi-ku, Fukuoka city
Property Funds Appendix	Appendix 6 to the Code on Collective Investment Schemes
Purchase Consideration	JPY 2,440.2 million (approximately S\$30.4 million) based on an exchange rate of JPY 1.00 = S\$0.01244

Sale and Purchase Agreement	Sale and purchase agreement for the Acquisition
SGX-ST	Singapore Exchange Securities Trading Limited
Target Company	Island City Pte. Ltd.
TAL	The Ascott Limited
Trust Deed	Trust deed of Ascott REIT entered into between the Manager and the Trustee on 19 January 2006 (as amended and supplemented)
Trustee	DBS Trustee Limited, in its capacity as trustee of Ascott REIT
Units	Units in Ascott REIT
Unitholders	Holder of Units
Vendors	AIHL and ArcResidential Japan Investments Limited

Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Ascott REIT is not necessarily indicative of the future performance of Ascott REIT.

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 costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.