

Not for release, publication, distribution, directly or indirectly, in or into the United States, Canada or Japan.

Press Release

For Immediate Release

A-HTRUST TO ACQUIRE A HOTEL IN OSAKA FOR S\$110.8 MILLION

- Osaka Namba Washington Hotel Plaza to be acquired for ¥8.9 billion
- Acquisition is expected to be DPS accretive
- Prime location in the heart of Namba, the most popular shopping and entertainment area in Osaka, Japan
- Enhances portfolio diversification and income stability

Singapore, 26 March 2014 – Ascendas Hospitality Fund Management Pte. Ltd. (as manager of Ascendas Hospitality Real Estate Investment Trust) and Ascendas Hospitality Trust Management Pte. Ltd. (as trustee-manager of Ascendas Hospitality Business Trust) (collectively, the “Managers”), announced today that Ascendas Hospitality Business Trust has entered into a conditional sale and purchase agreement with Ainodake Godo Kaisha to acquire Osaka Namba Washington Hotel Plaza (the “Hotel”) in Osaka, Japan for a purchase consideration of ¥8.9 billion (approximately S\$110.8 million¹). The purchase consideration is 3.3% below the independent property valuation of ¥9.2 billion by Savills Japan Co., Ltd. The Hotel would be Ascendas Hospitality Trust’s (“A-HTRUST”) second acquisition since its initial public offering in July 2012 and the second Japanese asset in A-HTRUST’s portfolio.

The Hotel is strategically located in the Namba area in the heart of Osaka’s Minami district, and enjoys robust demand from business and leisure travellers. It sits on a freehold site in Osaka’s most prominent dining, entertainment and shopping district, with excellent connectivity to key transportation nodes, including the Namba subway station, which is linked to the Kansai International Airport. It is also a one-minute walk from Dotonbori, which is well-known for its food street and its attractive neon lights and mechanised signs at night.

The issue managers for the initial public offering and listing of A-HTRUST were Nomura Singapore Limited, Standard Chartered Securities (Singapore) Pte. Limited, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and DBS Bank Ltd. (the “Issue Managers”). The Issue Managers assume no responsibility for the contents of this press release.

¹ Based on the exchange rate of S\$1.00 : ¥80.3

The Hotel commenced operations in 1997, and offers 698 guest rooms and two restaurants. Since its opening, the Hotel has been one of the flagship hotels of Washington Hotel K.K., a well-established hotel operator with over 50 years of experience, 40 hotels under management, and a proven track record in the Japanese market. The Hotel will continue to be leased to Washington Hotel K.K. until 31 December 2015 under a fixed-term building lease agreement for a fixed rent of ¥652.6 million per year (the “Lease Agreement”).

Acquisition is expected to be DPS accretive

On a pro forma basis, if A-HTRUST had owned the Hotel for the nine months ended 31 December 2013, A-HTRUST’s distribution per stapled security (“DPS”) would have increased by approximately 2.0% from 4.07 Singapore cents to 4.15 Singapore cents. Subject to market conditions, the Managers intend to fund the acquisition with a combination of debt and equity.

Favourable Hospitality Market and Prime Location

Japan’s tourism industry has improved significantly over the last two years, with a record high of 10.4 million inbound tourists to Japan in 2013, over 24.0% higher than in 2012². Tourist arrivals and hotel accommodation demand are expected to remain strong with the easing of short-term visas for Southeast Asia countries³ and continued growth of low cost carriers such as the Osaka-based Peach Aviation.

Osaka is the second largest hospitality market in Japan, as well as the economic centre of the Kansai region and the gateway to other tourist destinations such as Kobe, Kyoto, and Nara. The city has a wide variety of art, cultural and tourist attractions including Universal Studios Japan and Osaka Castle. A further increase in accommodation demand is anticipated with the scheduled opening of the Wizarding World of Harry Potter in Universal Studios Japan in 2014. While demand is projected to be strong, hotel room supply in Osaka is expected to grow only 1% to 2% per annum over the next two years, with no new expected supply in the Namba area⁴. The Hotel, which is centrally located in the Namba area, is hence well-poised to benefit from the buoyant hospitality market.

Enhanced Portfolio Diversification

In line with A-HTRUST’s management strategy, the acquisition of the Hotel will enhance the diversification of A-HTRUST’s portfolio in terms of geographic exposure, market segments and hotel operators. In particular, it will increase the proportion of A-HTRUST’s assets in Japan from 15.6% to 21.9%⁵ of the total asset portfolio by valuation.

² Source: Japan National Tourism Organisation

³ Source: Ministry of Foreign Affairs of Japan

⁴ Source: Savills

⁵ Based on valuations for A-HTRUST’s existing portfolio as at 31 March 2013, and valuation of the Hotel as at 25 March 2014

Stable Cashflows with Upside Potential from Asset Enhancements

The fixed rental income from the Hotel is expected to increase A-HTRUST's cashflow stability, while net property income from master leases would increase from 25.3% to 31.2%⁶. Following the expiry of the Lease Agreement in December 2015, A-HTRUST will have the flexibility to re-negotiate the agreement to improve its property yield. The Managers also believe there is scope to undertake asset enhancement initiatives to drive RevPAR growth and support higher rental payments.

Mr Tan Juay Hiang, Chief Executive Officer of the Managers, said, "Osaka Namba Washington Hotel Plaza is a hotel in an excellent location within the vibrant city of Osaka which positions us to benefit from its growing hospitality market – for both leisure as well as business travel. This acquisition deepens our presence in Japan and is expected to be DPS accretive. It also adds stability to A-HTRUST's income streams and provides upside potential from asset enhancements, bringing value to our stapled securityholders."

Media and Investor Queries:

NEWGATE COMMUNICATIONS

Ms Lim Yuan See
Partner
Direct : +65 6532-0606
Email : yuansee.lim@newgatecomms.com.sg

Mr Bob Ong
Consultant
Direct : +65 6532-0606
Email : bob.ong@newgatecomms.com.sg

ASCENDAS HOSPITALITY TRUST

Ms Sharon Ho
Capital Markets & Investor Relations
Direct : +65 6508-8672
Email : sharon.ho@ascendas.com

⁶ Based on A-HTRUST's net property income for the nine months ended 31 December 2013

About Ascendas Hospitality Trust

Ascendas Hospitality Trust (“A-HTRUST”) was listed in July 2012 as a stapled group comprising Ascendas Hospitality Real Estate Investment Trust (“A-HREIT”) and Ascendas Hospitality Business Trust (“A-HBT”), established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes located across Asia, Australia and New Zealand, as well as real estate related assets in connection with the foregoing.

The asset portfolio comprises 11 hotels with over 3,900 rooms geographically diversified across key cities in Australia, China, Japan and Singapore; and located close to central business districts and conference centres as well as iconic tourist landmarks. These hotels are Pullman Sydney Hyde Park, Novotel Sydney Central, Novotel Sydney Parramatta, Courtyard by Marriott Sydney-North Ryde, Pullman and Mercure Melbourne Albert Park, Pullman and Mercure Brisbane King George Square, Pullman Cairns International, Novotel Beijing Sanyuan, Ibis Beijing Sanyuan, Hotel Sunroute Ariake and Oakwood Apartments Ariake Tokyo and Park Hotel Clarke Quay.

A-HTRUST is managed by Ascendas Hospitality Fund Management Pte Ltd., the manager of A-HREIT, and Ascendas Hospitality Trust Management Pte Ltd., the trustee-manager of A-HBT (the “Managers”).

About the Ascendas Group

Ascendas is Asia’s leading provider of business space solutions with more than 30 years of experience. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 25 cities across 10 countries including Singapore, China, India, South Korea and Australia.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-tech facilities, office and retail spaces. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities and solutions which seamlessly combine high-quality business, lifestyle, retail and hospitality spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park and Changi City at Changi Business Park in Singapore, International Tech Park Bangalore in India and Ascendas-Xinsu in Suzhou Industrial Park, China. Ascendas provides end-to-end real estate solutions, assisting companies across the entire real estate process.

In November 2002, Ascendas launched Singapore’s first business space trust, Ascendas Real Estate Investment Trust (A-REIT), and in August 2007, Ascendas India Trust (a-iTrust) was launched as the first listed Indian property trust and Ascendas Hospitality Trust (A-HTRUST in July 2012). Besides managing listed real estate funds, Ascendas also manages a series of private funds with commercial and industrial assets across Asia.

Important Notice

This press release 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 securities in A-HTRUST ("Securities") and the income derived from them, if any, may fall as well as rise. Securities are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Securities for so long as the Securities are listed on the SGX-ST. It is intended that investors and security holders of A-HTRUST may only deal in their Securities through trading on the SGX-ST. Listing of the Securities on the SGX-ST does not guarantee a liquid market for the Securities. The past performance of A-HTRUST is not necessarily indicative of the future performance of A-HTRUST. Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.