

ASCOTT REIT ACQUIRES PRIME FREEHOLD LIMITED-SERVICE BUSINESS HOTEL IN SYDNEY AUSTRALIA FOR A\$60.6 MILLION

To be rebranded as Citadines Connect Sydney Airport in May 2019, targeting business travellers who are constantly online and on the go

Singapore, 27 March 2019 – Ascott Residence Trust (Ascott Reit) is acquiring Felix Hotel, a prime freehold limited-service business hotel located in close proximity to Sydney Airport, for A\$60.6 million (S\$58.8 million¹). The 150-room property will be rebranded as Citadines Connect Sydney Airport upon completion of the acquisition in May 2019. This will be Ascott Reit’s first business hotel in Australia and its first property to be managed by its sponsor, The Ascott Limited (Ascott) under the new Citadines Connect brand.

The acquisition will bolster Ascott Reit’s portfolio in Australia to over 900 units across six properties. Ascott Reit currently owns three properties in Sydney – Quest Mascot, Quest Campbelltown and Quest Sydney Olympic Park, in addition to Citadines St Georges Terrace Perth and Citadines on Bourke Melbourne.

Mr Bob Tan, Ascott Residence Trust Management Limited’s (ARTML) Chairman, said: “This acquisition will deepen Ascott Reit’s presence in the stable and resilient market of Australia, adding to our portfolio a quality property that provides good yield in the highly sought-after Sydney market. Well supported by a range of industries, and a transparent and well-regulated business environment, Australia has consistently ranked as one of Ascott Reit’s top contributing markets in terms of gross profit. This acquisition will further strengthen our investment in developed markets, which collectively account for almost 80% of the asset value for Ascott Reit. Ascott Reit will continue to seek opportunities in key markets with strong corporate demand, such as Australia, Japan, Europe and the U.S., to deliver strong yield and growth in distribution income for our unitholders.”

The accretive acquisition, with an EBITDA yield of over 6%, will be funded by bank loans, divestment proceeds or a combination of both². In line with Ascott Reit’s strategy to redeploy capital and invest in higher-yielding assets, the earlier announced divestment of Ascott Raffles Place Singapore³ will provide Ascott Reit with the financial flexibility to acquire the Sydney property and enhance returns to unitholders.

Ms Beh Siew Kim, ARTML’s Chief Executive Officer, said: “The target business hotel is adjacent to another property owned by Ascott Reit – the 91-unit Quest Mascot which has been enjoying over

¹ Based on exchange rate of A\$1.00:S\$0.97.

² Assuming acquisition is fully funded by bank loans, Ascott Reit’s gearing will change from 37.4% (as at 31 December 2018 and after taking into account the funding for lyf one-north Singapore) to 38.2% (before taking into account proceeds from the divestment of Ascott Raffles Place Singapore).

³ The divestment of Ascott Raffles Place Singapore was announced in January 2019 and is expected to complete in May 2019.

85% occupancy. It will enable us to leverage scale and increased operational efficiency from the clustering effect across these Ascott-managed properties⁴. With this enhanced presence in the vicinity of Sydney Airport, Ascott Reit is not only well positioned to benefit from the growing transient traveller traffic, but more importantly gain access to a significant number of transport and logistics-related national corporate accounts, as well as to capture demand from the growing industries in its neighbouring suburbs.”

The property was completed and opened in February 2018. Located in Mascot within the city of Botany Bay, it enjoys a strategic location within walking distance to the Mascot railway station and Sydney Airport – Australia's busiest airport – which catered to around 44.4 million passengers in 2018 and is forecast to receive around 60.7 million passengers by 2033⁵. The business parks of Alexandria, Botany, Mascot and Waterloo, The Lakes and The Australian golf clubs as well as the Westfield Eastgardens Shopping Centre are all nearby. Sydney’s Central Business District is within a 15-minute drive or ride by train. The precinct is further earmarked for development to accommodate future population and employment growth capitalising on its accessibility to public transport.

Ms Beh added: “Our sponsor, Ascott, who has more than two decades of experience in Australia, will manage the property under its latest Citadines Connect brand. It taps on Ascott’s well-established and fast-growing Citadines brand while offering a product to cater to shorter stays and a more transient guest profile. Citadines Connect Sydney Airport will be Ascott Reit’s first limited-service business hotel in Australia that complements and extends our product offerings in the market. At Citadines Connect Sydney Airport, jetsetters and road warriors who travel across different time zones can choose to self-check-in at the sky lobby reception and savour the convenience of a 24-hour well-stocked ‘Grab & Go’ food and beverage bar and round-the-clock gymnasium.”

Citadines Connect Sydney Airport features a contemporary design and houses 150 rooms ranging from 18-sqm to 40-sqm units, each decked with premium king or queen bed and a 55-inch internet-enabled smart television that supports Netflix streaming. The 12-storey property also boasts ‘Refresh & Recharge’ spaces including a sky bar, sky lounge and outdoor terrace. Business travellers will appreciate the conferencing facilities, carpark spaces and complimentary high-speed Wi-Fi and USB charging outlets widely available throughout the property. With views of the airport, Botany Bay and Greater Sydney, the unique property is a sanctuary that provides all the essentials to meet the needs of transient business and leisure travellers.

Please refer to the Annexes for more details on the property and Citadines Connect brand.

⁴ Ascott holds an 80% interest in Quest Apartment Hotels, Australasia’s largest serviced residence provider.

⁵ Sydney Airport Masterplan 2039

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 in any country in the world.

Ascott Reit's asset size has grown to S\$5.3 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 73 properties with 11,430 units in 37 cities across 14 countries in Asia Pacific, Europe and the United States of America (as at 31 December 2018).

Ascott Reit's serviced residences are mostly operated under the Ascott, Citadines and Somerset brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Frankfurt, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Shanghai, Singapore and Tokyo.

Ascott Reit is managed by Ascott Residence Trust Management Limited, an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

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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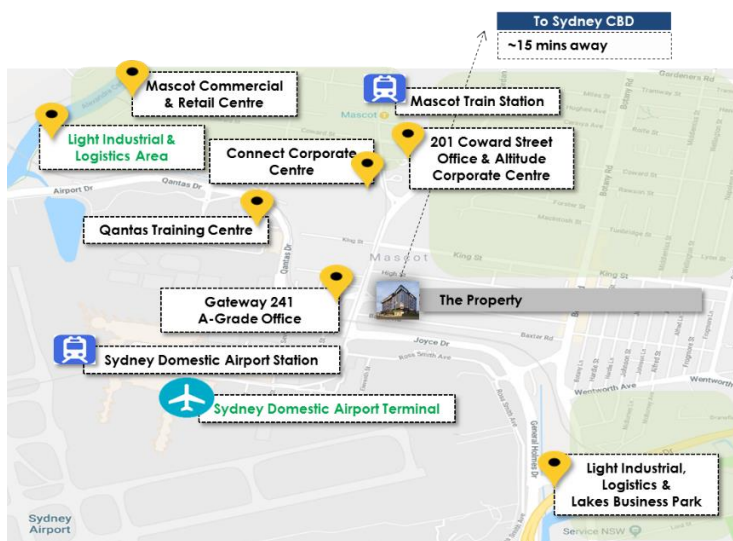


ANNEX A : PROPERTY DETAILS

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|--|------------------------------|---|
|  | Property | Citadines Connect Sydney Airport (formerly known as Felix Hotel) |
| | Address | 113-121 Baxter Road, Mascot, New South Wales, Australia |
| | Tenure | Freehold |
| | GFA / NLA | 9,154 sqm / 7,885 sqm |
| | Building Height | 12 levels (including roof deck) |
| | No. of Rooms and Size | 150 rooms, with each room size ranging from 18 sqm to 40 sqm |
| | Acquisition Price | A\$60.6 million or S\$58.8 million ¹ Approximately A\$404,000 or S\$392,000 ¹ per key |
| | Year Built | Completed and opened in February 2018 |
| | Facilities | Gymnasium, 'Grab & Go' bar, 'Refresh & Recharge' facilities including the sky bar, sky lounge and outdoor terrace, conference facilities and carparks |

¹ Based on exchange rate of A\$1.00:S\$0.97

The property is located approximately eight kilometres south of Sydney's Central Business District and within two kilometres from both Sydney domestic and international airports.



Source: Google maps

FACILITIES



Sky Lobby and Reception



'Refresh & Recharge' Lounge



Sky Bar



'Grab & Go' Bar



Conference Facilities



Gymnasium

ROOM TYPES



Room Type A (18 sqm)



Room Type B (21 sqm)



Room Type C (28 sqm)



Room Type D – Suite (40 sqm)



Room Type D – Sitting Area



Room Type D – Bathroom

ANNEX B: ABOUT CITADINES CONNECT

The new Citadines Connect brand by Ascott is a line of business hotels that offers contemporary accommodation in vibrant, well-connected locations, with tech-enabled features and convenient facilities. It caters to highly mobile frequent travellers who appreciate thoughtful, fuss-free services, online connectivity and recreational experiences.

Besides the 150-unit Citadines Connect Sydney Airport, Ascott currently operates the 125-unit Citadines Connect Fifth Avenue New York under its Citadines Connect brand.

Typical Room Sizes

- Studio (18 - 21 sqm)

Amenities

- Lobby
- Gymnasium
- 'Grab & Go' counter
- Breakfast / Social lounge
- 'Refresh & Recharge' space
- Meeting pods
- Common launderette
- Common pantry on room floors

Tech-enabled

- Check-in kiosk
- Occupancy sensor-enabled rooms for energy conservation
- Content streaming-enabled TVs
- Mobile key

(Above specifications are subject to local customisation and site restrictions.)