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ASCOTT REIT'S 1Q 2019 DISTRIBUTION PER UNIT RISES 7% TO 1.45 CENTS

Close to S$900 million debt headroom for potential accretive acquisitions

Singapore, 30 April 2019 – Ascott Residence Trust's (Ascott Reit) distribution per unit (DPU) for 1Q 2019 grew 7% to 1.45 cents compared with 1Q 2018. Unitholders' distribution for 1Q 2019 rose 8% to S$31.5 million. Gross profit increased 2% to S$49.5 million[1], while revenue climbed 3% to S$115.9 million. Revenue Per Available Unit (RevPAU) for 1Q 2019 was S$133, a year-on-year increase of 3% from 1Q 2018.

Unitholders' distribution for 1Q 2019 was higher due to better operating performance, lower financing costs and higher one-off realised exchange gain of S$1.0 million. The realised exchange gain of S$2.6 million in 1Q 2019 arose from the repayment of foreign currency bank loans with the 15% deposit received for the divestment of Ascott Raffles Place Singapore announced in January 2019. The divestment is expected to be completed in May 2019.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit continued to deliver stable returns in the first quarter this year due to strong operating performance, with higher contributions particularly from Singapore and the United Kingdom. Our debt headroom of close to S$900 million[2] will give us the financial flexibility to pursue accretive acquisitions from our sponsor The Ascott Limited and third parties."

"As part of our disciplined capital recycling approach, we recently announced our acquisition of Citadines Connect Sydney Airport[3], a prime freehold business hotel, for A$60.6 million with an expected yield of over 6%. This was right after our divestment of Ascott Raffles Place Singapore for S$353.3 million at an exit yield of about 2%. We will continue to proactively reconstitute our portfolio to strengthen Ascott Reit's position as the largest and most geographically diversified hospitality REIT in Singapore."

Ascott Reit maintains a balanced portfolio that provides stable and growth income. More than half of Ascott Reit's gross profit is contributed by growth income through management contracts, while the remaining is contributed by stable income from master leases and properties on management contracts with minimum guaranteed income. Ascott Reit's diversified portfolio spans 14 countries, with approximately 60% in Asia Pacific as well as 40% in Europe and the U.S.

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[1] Excluding FRS 116 adjustments. FRS 116 is effective from 1 January 2019 and replaced the straight-line operating lease expense (previously recognised in "direct expenses") with change in fair value of right-of-use assets and interest expense on lease liabilities.

[2] As at 31 March 2019.

[3] The freehold limited-service business hotel acquired by Ascott Reit will be rebranded to Citadines Connect Sydney Airport from Felix Hotel upon completion of the acquisition in May 2019.

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In 1Q 2019, Singapore and the United Kingdom remain among the top contributing markets with gross profit increasing 35%[4] and 20%[4] respectively due to higher market demand. There was also stronger leisure demand for Ascott Reit's serviced residences in Tokyo and Melbourne.

Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "We are committed to driving the operating performance of our properties and enriching customer experiences through active asset enhancement initiatives. With the higher occupancy at Ascott Makati and higher rates from its renovated apartments, revenue for our Philippines market increased 24%[4]. We expect higher average daily rates for Somerset Grand Citra Jakarta and Element New York Times Square West when their refurbishments are completed in mid-2019."

Ascott Reit continues to adopt a prudent approach towards capital management, with 80% of its borrowings on fixed interest rates to hedge against potential rising interest rates. It also maintained a healthy gearing of 35.7%, well below the 45% gearing threshold set by the Monetary Authority of Singapore.

The International Monetary Fund has forecasted a global economic growth of 3.3% in 2019[5]. Interest rates are expected to remain stable in 2019, given the dovish stance undertaken by the U.S. Federal Reserve[6].

International tourist arrivals rose 6% in 2018 to 1.4 billion, two years ahead of the World Tourism Organisation's forecast[7]. International tourist arrivals are also expected to increase by 4% this year[8]. While potential headwinds such as rising operating costs and competition from new supply remain, international travel continues to be sustained by the rising middle-class demographics and better air connectivity.

Summary of Results
1Q 2019 vs. 1Q 2018

	1Q 2019	1Q 2018	Change (%)
Revenue (S$ million)	115.9	112.8	3
Gross Profit (S$ million)	54.6	48.7	12
Gross Profit (S$ million) (excluding FRS 116 impact) (1)	49.5	48.7	2
Unitholders' Distribution (S$ million)	31.5(2)	29.2(3)	8

[4] Based on local currencies. The 35% increase in gross profit for Singapore pertains to management contracts only.
[5] "The Global Economy: A Delicate Moment" (9 April 2019), International Monetary Fund
[6] "Federal Reserve issues FOMC statement" (20 March 2019), Federal Reserve System
[7] "International Tourist Arrivals Reach 1.4 billion Two Years Ahead of Forecast" (21 January 2019), World Tourism Organisation
[8] "Global Travel Trends 2018/ 2019" (6 March 2019), IPK International

DPU (S cents)	1.45	1.35	7
DPU (S cents) **(adjusted for one-off items[(2) (3)])**	1.33	1.28	4
Revenue Per Available Unit (RevPAU) S$/day	133	129	3

(1) FRS 116 Leases is effective from 1 January 2019. The adoption of this standard changed the nature of expense for Ascott Reit's portfolio of operating leases and replaced the straight-line operating lease expense to change in fair value for right-of-use assets and interest expense on lease liabilities.

(2) Unitholders' distribution for 1Q 2019 included a realised exchange gain of S$2.6 million arising from the repayment of foreign currency bank loans with the 15% deposit received for the divestment of Ascott Raffles Place Singapore announced in January 2019.

(3) Unitholders' distribution for 1Q 2018 included a realised exchange gain of S$1.6 million arising from the receipt of proceeds from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in China as well as the repayment of foreign currency bank loans with the divestment proceeds.

For Ascott Reit's 1Q 2019 financial statement and presentation slides, please visit www.ascottreit.com.

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 grown to S$5.7 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. As at 31 March 2019, Ascott Reit's international portfolio comprises 73 operating properties with 11,430 units in 37 cities across 14 countries in the Asia Pacific, Europe and the U.S.

Ascott Reit's properties are mostly operated under the Ascott, Citadines and Somerset brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, 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, 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.

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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.

Issued by:

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