

ASCOTT REIT REGISTERS A STRONG 30% INCREASE IN UNITHOLDERS' DISTRIBUTION FOR 4Q 2017

Unitholders' distribution for FY 2017 at an all-time high of S\$152.2 million

Singapore, 26 January 2018 – Ascott Residence Trust (Ascott Reit) registered a strong growth of 30% in Unitholders' distribution for 4Q 2017 to S\$43.9 million, as compared to 4Q 2016. Unitholders' distribution for FY 2017 hit a record S\$152.2 million, a 13% increase from FY 2016. 4Q 2017 distribution per unit (DPU) remained constant at 2.04 cents on a year-on-year basis.

The increase in 4Q 2017 Unitholders' distribution was due to contribution from Ascott Reit's acquisitions in 2017 as well as one-off distribution of S\$6.5 million to Unitholders, which is part of the gain from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in China. FY 2017 Unitholders' distribution included a one-off realised foreign exchange gain of S\$11.9 million arising from the repayment of foreign currency bank loans with the proceeds from the rights issue (pending the deployment of funds to part finance the acquisition of Ascott Orchard Singapore).

On a year-on-year basis, revenue for 4Q 2017 increased 6% to S\$134.5 million while gross profit for the same quarter also rose 6% to S\$61.8 million.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit delivered an all-time high distributable income for FY 2017. We acquired four properties for a total of S\$648.3 million in the key gateway cities of Frankfurt, Hamburg, New York and Singapore. We made our first foray into Frankfurt, further diversifying Ascott Reit's portfolio across geographies and economic cycles. We expanded our presence in Hamburg and New York with our second and third acquisitions respectively. In Singapore, we enhanced Ascott Reit's portfolio with the addition of the premium Ascott Orchard Singapore located in the world-renowned Orchard Road shopping belt."

"With these acquisitions, Ascott Reit continues to lead as the most geographically diversified and largest hospitality REIT in Singapore with an asset size of S\$5.5 billion¹. We will continue to lookout for accretive acquisitions in key gateway cities, and re-allocate our investments into higher-yielding properties to enhance returns to Unitholders."

Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "In 4Q 2017, RevPAU for Belgium increased by 22%² due to stronger corporate demand, while that for the Philippines grew 13%² mainly due to increased revenue from the upgraded Somerset Millennium Makati. Higher

¹ Asset size of S\$5.5 billion as at 31 December 2017 includes Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in China. The divestment of these two properties was completed on 5 January 2018.

² Based on RevPAU in local currencies.

revenue from the refurbished apartments at Somerset Xu Hui Shanghai and greater long-stay demand at Somerset Olympic Tower Tianjin also helped to boost the RevPAU for China by 12%². In Singapore, RevPAU grew 6%² driven by strong corporate demand.”

“We continue to upgrade our properties to enhance the experience for our customers and maximise returns to Unitholders. The ongoing refurbishments at Ascott Makati in the Philippines, Somerset Grand Hanoi in Vietnam, Citadines Arnulfpark Munich in Germany, Citadines Trocadéro Paris in France and Sheraton Tribeca New York Hotel in the U.S. are on track to complete in 2018. We will also carry out refurbishment at Element New York Times Square West hotel in the U.S. and Somerset Grand Citra Jakarta in Indonesia from the first quarter of this year.”

While the global economic outlook is largely positive and demand in some markets such as Japan and Manhattan, U.S. is expected to remain resilient, room supply in these markets is projected to steadily increase in the near future, potentially exerting downward pressure on rates. Ascott Reit remains focused on delivering steady returns to Unitholders and prudent in its capital management. Ascott Reit’s strength lies in its extended-stay business model and that more than 40% of its gross profit is contributed by stable income from master leases and serviced residences on management contracts with minimum guaranteed income.

Ms Beh added: “Approximately 81% of Ascott Reit’s total borrowings are on fixed interest rates to mitigate against potential rising interest rates. Our gearing of 36.2% as at 31 December 2017 gives us comfortable headroom for future investment opportunities. We have also started to work on the refinancing of the loan facilities due in 2018, ahead of their maturity dates. We will continue to monitor the interest rate and exchange rate exposure.”

Summary of Results

4Q 2017 vs. 4Q 2016

	4Q 2017	4Q 2016	Change (%)
Revenue (S\$ million)	134.5	126.7	+6
Gross Profit (S\$ million)	61.8	58.4	+6
Unitholders’ Distribution (S\$ million)	43.9 ³	33.9	+30
DPU (S cents)	2.04	2.04	-
DPU (S cents) (adjusted for one-off item, rights issue and divestment gain)	2.07	1.93	+7
Revenue Per Available Unit (RevPAU) S\$/day	155	148	+5

³ 4Q 2017 Unitholders’ distribution included the one-off distribution of S\$6.5 million, which is part of the gain from the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi’an in China.

- Revenue for 4Q 2017 increased by S\$7.8 million or 6% as compared to 4Q 2016. This was mainly contributed by the additional revenue of S\$11.2 million from the acquisitions in 2017, partially offset by the decrease in revenue of S\$3.3 million from the divestment of 18 rental housing in Tokyo, Japan as well as Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in China.
- Unitholders' distribution for 4Q 2017 increased by 30%.
- DPU for 4Q 2017 was 2.04 cents. DPU would increase by 7% from 1.93 cents in 4Q 2016 to 2.07 cents in 4Q 2017 if the one-off realised exchange gain, the effects of the rights issue in March 2017, contribution from Ascott Orchard Singapore and divestment gain were excluded.
- RevPAU for 4Q 2017 grew 5% as compared to that for 4Q 2016.

FY 2017 vs. FY 2016

	FY 2017	FY 2016	Change (%)
Revenue (S\$ million)	496.3	475.6	+4
Gross Profit (S\$ million)	226.9	222.4	+2
Unitholders' Distribution (S\$ million)	152.2 ³	135.0	+13
DPU (S cents)	7.09	8.27	-14
DPU (S cents) (adjusted for one-off item, rights issue, equity placement and divestment gain)	7.99	7.59	+5
Revenue Per Available Unit (RevPAU) S\$/day	144	140	+3

- Revenue for FY 2017 increased by S\$20.7 million or 4% mainly due to additional contribution of S\$26.1 million from Ascott Reit's acquisitions in 2016 and 2017, and increase in revenue of S\$2.1 million from existing properties. The increase was partially offset by a decrease in revenue of S\$7.5 million from the divestment of 18 rental housing in Tokyo, Japan as well as Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in China.
- Unitholders' distribution for FY 2017 included a one-off realised exchange gain of S\$11.9 million arising from the repayment of foreign currency bank loans with the proceeds from the rights issue (pending deployment of the funds to part finance the acquisition of Ascott Orchard Singapore).
- DPU for FY 2017 was 7.09 cents. DPU would increase by 5% from 7.59 cents in FY 2016 to 7.99 cents in FY 2017 if the one-off item, the effects of the rights issue, equity placement in March 2016 to fund the acquisition of Sheraton Tribeca New York Hotel in the U.S., contribution from Ascott Orchard Singapore for 4Q 2017, contribution from Sheraton Tribeca New York Hotel for 1Q 2017 and the divestments gain were excluded.
- RevPAU increased 3% year-on-year for FY 2017.

Distribution and Book Closure Date

- Ascott Reit's distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year.

Distribution	For 1 January 2017 to 30 June 2017	For 1 July 2017 to 31 December 2017
Distribution Rate	3.356 cents per unit	3.730 cents per unit
Last Day of Trading on “cum” Basis	25 July 2017, 5 pm	31 January 2018, 5 pm
Ex-Date	26 July 2017, 9 am	1 February 2018, 9 am
Book Closure Date	28 July 2017	5 February 2018
Payment Date	25 August 2017	28 February 2018

For Ascott Reit's FY 2017 financial statement and presentation, 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\$5.5 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 75 properties with 11,861 units in 38 cities across 14 countries in the Americas, Asia Pacific and Europe.

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, 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.

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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