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ASCOTT REIT MAKES THIRD ACCRETIVE ACQUISITION IN MANHATTAN NEW YORK WITHIN TWO YEARS FOR US$106 MILLION

224-unit prime freehold property uplifts U.S. to become Ascott Reit's fourth largest market by asset size

Singapore, 31 May 2017 – Ascott Residence Trust (Ascott Reit) is adding another prime property to its global portfolio by acquiring the 224-unit DoubleTree by Hilton Hotel New York – Times Square South for US$106 million (S$148.4 million[1]). The freehold property is located in Midtown Manhattan near Times Square, one of the most visited locations in the world, with more than 40 million visitors each year.

The accretive acquisition at an EBITDA yield of 6.0% is expected to increase Ascott Reit's pro forma distribution income in FY 2016 by US$0.9 million (S$1.2 million[1]), translating to a rise in distribution per unit from 7.23 cents[2] to approximately 7.29 cents on a pro forma basis. The acquisition will be funded by bank loans and/or perpetual securities. With this acquisition, Ascott Reit owns three strategically located properties in Manhattan, comprising 1,004 units.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "The U.S. market was our top contributor to revenue in 2016 and 1Q 2017. Acquisition of yet another quality property in Manhattan would strengthen our foothold in New York, which saw record high visitor arrivals in 2016. New York has strong corporate demand for accommodation as business travellers form a quarter of all visitors annually, generating over 30% of visitor spending. Manhattan has the strongest performing hotel market in the U.S. with the highest revenue per room. This DoubleTree by Hilton Hotel New York – Times Square South, as well as Sheraton Tribeca New York Hotel and Element New York Times Square West hotel, which we acquired in the last two years, enjoy high average occupancy rate of more than 90%. We expect this accretive acquisition to enhance Ascott Reit's portfolio as we remain focused on creating stable and growing returns to Unitholders."

Mr Tan added: "We will continue to seek opportunities to acquire a scalable portfolio of stable, operating assets in key gateway cities in the U.S. Besides the U.S., we continue to actively seek accretive acquisitions in gateway cities in markets such as Australia, Japan and Europe."

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[1] Based on exchange rate of US$1 = S$1.40.

[2] Adjusted for the pro forma effects of the issuance of 481,688,010 new units in Ascott REIT as announced on 11 April 2017, the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt as completed on 2 May 2017, the divestment of 18 rental housing properties in Japan as completed on 26 April 2017, as well as the acquisition of Ascott Orchard Singapore which is targeted to be completed in 4Q 2017.

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Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "This acquisition will reinforce Ascott Reit's position as the largest hospitality REIT by asset size and the most geographically diversified REIT in Singapore. With this acquisition, the U.S. would be our fourth biggest market, forming 12.3% of Ascott Reit's total assets worth S$5.3 billion[3], following closely after China, Japan and Singapore. We continue to maintain a balanced portfolio across the various geographies to provide stable returns to Unitholders."

Ms Beh added: "The freehold property will continue to be managed by an established local operator under a franchise of the upscale DoubleTree by Hilton brand. The property has a good mix of corporate and leisure guests, and has been achieving strong performance since its opening in 2008. We expect demand for the property to increase as the nearby Hudson Yards, the largest private development in the U.S., progressively opens. The US$30 billion Hudson Yards spanning 28 acres contains more than 18 million square feet of office, retail and residential space, and will be home to some of the world's top firms."

DoubleTree by Hilton Hotel New York – Times Square South is located on 36th Street, within walking distance to many of Manhattan's attractions such as Times Square, Madison Square Garden, the Jacob Javits Convention Center and the Empire State Building. The property offers a range of stylish rooms and facilities including a 24-hour fitness centre, business centre, meeting rooms, a restaurant and bar. It is also close to Penn Station, the busiest train station in North America which sees over 200 million passengers a year travelling to and from other gateway cities in the U.S.

Located a few blocks from the property, the Hudson Yards opened its first office skyscraper, the 10 Hudson Yards in May 2016, and is home to companies such as Coach Inc., L'Oréal, The Boston Consulting Group, SAP, VaynerMedia, Intersection and Sidewalk Labs. While the entire development is expected to be completed in 2025, 88% of the 5.8 million square feet of office space, currently under construction or has been completed, is already committed as of December 2016. Firms such as Blackrock, Kohlberg Kravis Roberts and Time Warner will be moving their headquarters to Hudson Yards, which will also house more than 100 shops and restaurants. This mega development will redefine Manhattan's west side and give an additional vitality boost to the Midtown hospitality market.

[3] Including the divestment of 18 rental housing properties in Japan as completed on 26 April 2017, the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt as completed on 2 May 2017, as well as the acquisition of Ascott Orchard Singapore, which is targeted to be completed in 4Q 2017.

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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 quadrupled to S$4.9 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 11,642 units in 38 cities across 14 countries in the Americas, Asia Pacific and Europe. Ascott Reit was awarded 'Best REIT (Asia)' by World Finance magazine at its Real Estate Awards in 2015.

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.

Issued by:

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