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ASCOTT REIT'S UNITHOLDERS' DISTRIBUTION INCREASES 7% TO S$108.3 MILLION FOR YEAR-TO-DATE SEPTEMBER 2017

Strong operating performance with double-digit growth in RevPAU in Belgium and the Philippines

Singapore, 24 October 2017 – Ascott Residence Trust's (Ascott Reit) Unitholders' distribution increased 7% to S$108.3 million for the period 1 January 2017 to 30 September 2017 compared with YTD Sep 2016. Unitholders' distribution for 3Q 2017 is S$36.3 million.

Distribution per unit (DPU) for YTD Sep 2017 and 3Q 2017 were 5.92 cents and 2.18 cents respectively if they are adjusted to exclude one-off realised foreign exchange gain, the effects of rights issue in March 2017 to fund the acquisitions of Citadines City Centre Frankfurt, Citadines Michel Hamburg and Ascott Orchard Singapore, as well as equity placement in March 2016 to fund the acquisition of Sheraton Tribeca New York Hotel in the U.S.

DPU for YTD Sep 2016 would be 5.66 cents if it is adjusted to exclude one-off realised foreign exchange gain and the effects of the equity placement. This is a 5% increase in DPU from 5.66 cents in YTD Sep 2016 to 5.92 cents in YTD Sep 2017. DPU for 3Q 2016 would be 2.15 cents if the one-off item was excluded. This is a 1% increase in DPU from 2.15 cents in 3Q 2016 to 2.18 cents in 3Q 2017. Without the adjustments, DPU for YTD Sep 2017 would be 5.04 cents and DPU for 3Q 2017 would be 1.69 cents.

Revenue for the first nine months of 2017 rose 4% to S$361.8 million from S$348.8 million for the same period in 2016. This was mainly contributed by the additional revenue generated from the acquisitions of Citadines City Centre Frankfurt, Citadines Michel Hamburg and DoubleTree by Hilton Hotel New York – Times Square South in 2017, acquisition of Sheraton Tribeca New York Hotel in 2016 as well as higher revenue from existing properties. Revenue per available unit (RevPAU) notched up 2% to S$140.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit continues to acquire quality assets to enhance our portfolio and deliver sustainable returns to Unitholders. We made S$655.4 million worth of acquisitions this year. These acquisitions further diversify our portfolio across geographies and strengthen Ascott Reit's position as the largest hospitality REIT with an asset size of S$5.1 billion. We will continue to focus on delivering stable returns to Unitholders by seeking accretive acquisitions. We are on the lookout for opportunities in key gateway cities. Our sponsor, The Ascott Limited, has been expanding its serviced residence portfolio globally. It allows Ascott to leverage economies of scale which will benefit our properties and build a pipeline of properties for Ascott Reit."

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Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "In August, we completed the acquisition of DoubleTree by Hilton Hotel New York – Times Square South, our third property in the U.S, which enjoys high average occupancy rate of more than 90%. We also recently completed the acquisition of Ascott Orchard Singapore."

"Due to greater demand from leisure travellers, Belgium, Spain and United Kingdom are among our best-performing markets in 3Q 2017 with RevPAU increasing by 43%[1], 8%[1] and 5%[1] respectively. In Asia, RevPAU for the Philippines climbed 17%[1] due to higher demand for the renovated Ascott Makati and Somerset Millennium Makati. RevPAU for Vietnam grew 8%[1], contributed by stronger corporate demand for the refurbished apartments at Somerset Ho Chi Minh City."

"While there is an oversupply of accommodation and weaker corporate demand in some markets such as Singapore, Japan and the U.S., however due to our diversified portfolio, the decrease in RevPAU on a portfolio basis for our properties on management contracts is 1%. More than 40% of our gross profit is contributed by stable income from master leases and management contracts with minimum guaranteed income. Ascott Reit continues to focus on the extended stay segment, which provides income stability to the Reit's portfolio. The average length of stay at our properties is approximately three months. We will continue to look at enhancing our portfolio to deliver stable returns to Unitholders."

Ms Beh added: "We continued to enhance guest experience and maximise Unitholders' returns. Average daily rate for our recently refurbished apartments at Citadines Barbican London has increased by 10%, and we also created new eatery space at the property for additional rental income. In addition, we have completed the renovation of the lobby and breakfast lounge at Citadines Mount Sophia Singapore. We are currently renovating Citadines Trocadéro Paris, Citadines Arnulfpark Munich and Somerset Grand Hanoi to give guests a brand new experience."

As part of its proactive capital management strategy, Ascott Reit lowered its gearing to 31.9% as at end September 2017, which is well below the 45.0% gearing limit set by the Monetary Authority of Singapore. About 87% of Ascot Reit's total borrowings are on fixed interest rates to hedge against rising interest rates. It has refinanced its loans due in 2017 and commenced discussions with banks to refinance the loans due in 2018, ahead of their maturity dates.

For the first time, Fitch Ratings recently assigned Ascott Reit a long-term issuer default rating of BBB with a stable outlook, while it continues to hold a Baa3 issuer rating from Moody's Investors Service. Ascott Reit topped the Best Hospitality REIT category with a Platinum award at the Asia Pacific Best of the Breeds REITs Awards™ 2017. It was ranked sixth out of 42 REITs in the Singapore Governance and Transparency Index 2017 – REIT and Business Trust Category.

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[1] Based on RevPAU in local currencies.

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Summary of Results

YTD Sep 2017 vs. YTD Sep 2016

	YTD Sep 2017	YTD Sep 2016	Change (%)
Revenue (S$ million)	361.8	348.8	+4
Gross Profit (S$ million)	165.1	164.0	+1
Unitholders' Distribution (S$ million)	108.3	101.1	+7
DPU (S cents)	5.04	6.22	-19
DPU (S cents) (adjusted for one-off items, rights issue and equity placement)	5.92	5.66	+5
Revenue Per Available Unit (RevPAU) S$/day	140	137	+2

3Q 2017 vs. 3Q 2016

	3Q 2017	3Q 2016	Change (%)
Revenue (S$ million)	126.9	123.9	+2
Gross Profit (S$ million)	58.8	57.3	+3
Unitholders' Distribution (S$ million)	36.3	38.7	-6
DPU (S cents)	1.69	2.35	-28
DPU (S cents) (adjusted for one-off items, rights issue and equity placement)	2.18	2.15	+1
Revenue Per Available Unit (RevPAU) S$/day	146	144	+1

- Unitholders' distribution for YTD Sep 2017 included a realised exchange gain of S$11.9 million, arising from the repayment of foreign currency bank loans with the proceeds from the rights issue and divestment.
- Unitholders' distribution for 3Q 2016 and YTD Sep 2016 included a realised exchange gain of S$3.3 million and S$9.8 million respectively, arising from the repayment of foreign currency bank loans.
- On 23 March 2016, 94,787,000 new units were issued on SGX-ST in relation to the equity placement. The gross proceeds of S$100 million were used to fund the acquisition of Sheraton Tribeca New York Hotel. As the acquisition was completed on 29 April 2016, DPU for YTD Sep 2017 was adjusted to exclude the contribution from the said acquisition for 1Q 2017.
- DPU would increase by 1% from 2.15 cents in 3Q 2016 to 2.18 cents in 3Q 2017 if the one-off items and the effects of the rights issue were excluded.

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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$5.1 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 74 properties with 11,640 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.

Issued by:

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