

**ASCOTT RESIDENCE TRUST
2017 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
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ASCOTT RESIDENCE TRUST
2017 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

Summary of Group Results

| | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 | Better / (Worse) % |
|---|--------------------------------|--------------------------------|-----------------------------------|
| Revenue | 111,261 | 105,525 | 5 |
| Gross Profit | 47,158 | 48,562 | (3) |
| Unitholders' Distribution | 25,119 | 27,318 | (8) |
| Distribution Per Unit ("DPU") (cents) | 1.51 | 1.75 | (14) |
| <u>For information only</u> | | | |
| DPU (cents) (adjusted for one-off item, equity placement ⁽¹⁾ and 2016 Acquisition ⁽¹⁾) | 1.64 ⁽¹⁾ | 1.57 ⁽²⁾ | 4 |

⁽¹⁾ On 23 March 2016, 94,787,000 new units were issued on SGX-ST in relation to the equity placement exercise. The gross proceeds from the equity placement exercise of S\$100.0 million were used to fund the acquisition of Sheraton Tribeca New York Hotel in New York, United States of America as announced on 14 March 2016. The acquisition was completed on 29 April 2016 (the "2016 Acquisition").

DPU for 1Q 2017 was adjusted to exclude the effect of the equity placement and the contribution from the 2016 Acquisition.

⁽²⁾ Unitholders' distribution in 1Q 2016 included net realised exchange gain of S\$3.0 million arising from repayment of foreign currency bank loans.

ASCOTT RESIDENCE TRUST

2017 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

INTRODUCTION

Ascott Residence Trust (“Ascott Reit”) was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the “Manager”) and DBS Trustee Limited (as trustee of Ascott Reit) (the “Trustee”).

Ascott Reit’s objective is to invest 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. It has a portfolio of serviced residences and rental housing properties across Asia Pacific, Europe and United States of America. Ascott Reit’s investment policy covers any country in the world.

Ascott Reit was directly held by The Ascott Limited up to and including 30 March 2006. On 31 March 2006, Ascott Reit was listed on the Singapore Exchange Securities Trading Limited with an initial portfolio of 12 properties with 2,068 apartment units in seven cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

In 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe. In 2012, Ascott Reit acquired four properties in Kyoto, Singapore, Guangzhou and Germany. Ascott Reit also completed the divestment of Somerset Grand Cairnhill Singapore and simultaneously signed the put and call option agreement to acquire the New Cairnhill Serviced Residence when completed, which is expected to be in 4Q 2017.

In 2013, Ascott Reit acquired three properties in China and a portfolio of 11 rental housing properties in Japan. On 23 December 2013, Ascott Reit entered into the sale and purchase agreement to acquire the New Cairnhill Serviced Residence following the satisfaction of the conditions under the New Cairnhill Serviced Residence put and call option agreement. In 2014, Ascott Reit acquired nine properties in four countries (Australia, China, Japan and Malaysia). This marked our maiden presence in five new cities: Dalian, Wuhan and Xi’an in China, Kuala Lumpur in Malaysia and Greater Sydney in Australia.

In 2015, Ascott Reit acquired Citadines on Bourke Melbourne, a portfolio of four rental housing properties in Osaka, Japan, the remaining 40% interest in Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto and Element New York Times Square West, an extended-stay hotel property in New York, the United States of America (“US”). On 29 April 2016, Ascott Reit completed the acquisition of Sheraton Tribeca New York Hotel.

On 6 March 2017, Ascott Reit announced the launch of an underwritten and renounceable rights issue to raise gross proceeds of approximately S\$442.7 million. The gross proceeds from the rights issue will be used to part finance the remaining purchase price for Ascott Orchard¹ and proposed acquisition of two serviced residence properties in Germany (which is subject to approval of the Unitholders at an extraordinary general meeting to be convened). At the extraordinary general meeting held on 19 April 2017, Unitholders have given their approval for the proposed acquisition.

S\$245.8 million of the proceeds has been used to repay outstanding borrowings, pending the deployment of such funds for their intended use. S\$3.4 million of the proceeds are used to pay the underwriting commission and S\$0.5 million are used to pay the fees and expenses incurred in connection with the rights issue. Such uses are in accordance with the use of proceeds as disclosed in the announcement dated 6 March 2017 in relation to the rights issue. The balance proceeds is S\$193.0 million and further announcements will be made when the proceeds is materially disbursed.

As at 31 March 2017, Ascott Reit’s portfolio comprises 90 properties with 11,635 apartment units in 38 cities across 14 countries.

Ascott Reit makes distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar. Since its listing, Ascott Reit has paid 100% of its distributable income.

¹ Ascott Reit paid S\$20.25 million, being the 5% deposit for the acquisition of Ascott Orchard on 23 December 2013. The Ascott Orchard acquisition has been approved by the Unitholders during the extraordinary general meeting held on 27 July 2012.

1(a)(i) **Consolidated Statement of Total Return**

| | Note | GROUP | | Better / (Worse) % |
|---|------|-----------------------|-----------------------|--------------------------|
| | | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 | |
| Revenue | A.1 | 111,261 | 105,525 | 5 |
| Direct expenses | A.2 | (64,103) | (56,963) | (13) |
| Gross Profit | A.1 | 47,158 | 48,562 | (3) |
| Finance income | | 251 | 484 | (48) |
| Other operating income | | 156 | 134 | 16 |
| Finance costs | A.3 | (11,870) | (12,669) | 6 |
| Manager's management fees | | (4,929) | (5,032) | 2 |
| Trustee's fee | | (116) | (115) | (1) |
| Professional fees | A.4 | (849) | (650) | (31) |
| Audit fees | | (586) | (627) | 7 |
| Foreign exchange (loss) / gain | A.5 | (4,801) | 4,059 | (218) |
| Other operating expenses | | (279) | (324) | 13 |
| Share of results of associate (net of tax) | | (6) | (22) | 73 |
| Net income before changes in fair value of financial derivatives, serviced residence properties and assets held for sale | | 24,129 | 33,800 | (29) |
| Net change in fair value of financial derivatives | A.6 | 5 | (105) | 105 |
| Net change in fair value of serviced residence properties and assets held for sale | A.7 | 145 | (180) | 181 |
| Assets written off | | (5) | (32) | 84 |
| Total return for the period before tax | | 24,274 | 33,483 | (28) |
| Income tax expense | A.8 | (5,103) | (6,273) | 19 |
| Total return for the period after tax | | 19,171 | 27,210 | (30) |
| Attributable to: | | | | |
| Unitholders / perpetual securities holders | | 17,655 | 25,859 | |
| Non-controlling interests | | 1,516 | 1,351 | |
| Total return for the period | | 19,171 | 27,210 | (30) |

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

| | Note | GROUP | | Better / (Worse) % |
|--|------|--------------------|--------------------|--------------------|
| | | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 | |
| Total return for the period attributable to Unitholders / perpetual securities holders | | 17,655 | 25,859 | |
| Net effect of non-tax deductible / chargeable items and other adjustments | A.9 | 12,198 | 6,246 | |
| Total amount distributable for the period | | 29,853 | 32,105 | (7) |
| Amount distributable: | | | | |
| - Unitholders | | 25,119 | 27,318 | |
| - Perpetual securities holders | | 4,734 | 4,787 | |
| | | 29,853 | 32,105 | (7) |
| Comprises: | | | | |
| - from operations | | (8,895) | (6,443) | |
| - from unitholders' contributions | | 34,014 | 33,761 | |
| | | 25,119 | 27,318 | (8) |

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue for 1Q 2017 of S\$111.3 million comprised S\$16.3 million (15% of total revenue) from serviced residences on Master Leases, S\$13.9 million (12%) from serviced residences on management contracts with minimum guaranteed income and S\$81.1 million (73%) from serviced residences on management contracts.

Revenue for 1Q 2017 increased by S\$5.8 million or 5% as compared to 1Q 2016. This was mainly contributed by the additional revenue of S\$7.6 million from the 2016 Acquisition, partially offset by the decrease in revenue of S\$1.8 million from the existing properties, mainly from Singapore and United Kingdom (arising from depreciation of GBP against SGD).

The Group achieved a revenue per available unit ("REVPAU") of S\$128 for 1Q 2017, an increase of 2% as compared to 1Q 2016 due to higher average daily rate from Sheraton Tribeca New York Hotel as compared to the existing properties. On a same store basis, excluding the 2016 Acquisition, REVPAU for 1Q 2017 decreased by 2% as compared to 1Q 2016 due to weaker performance from Singapore and United Kingdom (arising from depreciation of GBP against SGD).

Gross profit for 1Q 2017 of S\$47.2 million comprised S\$14.6 million (31% of total gross profit) from serviced residences on Master Leases, S\$5.0 million (11%) from serviced residences on management contracts with minimum guaranteed income and S\$27.6 million (58%) from serviced residences on management contracts.

As compared to 1Q 2016, gross profit decreased by S\$1.4 million or 3%. On a same store basis, gross profit decreased by S\$1.6 million or 3%.

Please refer to Para 8(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

| | GROUP | | Better / (Worse) % |
|-------------------------------|-----------------------|-----------------------|--------------------------|
| | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 | |
| Depreciation and amortisation | (3,466) | (3,467) | – |
| Staff costs | (12,732) | (13,382) | 5 |

A.3 Finance costs

Finance costs was lower in 1Q 2017 due to refinancing of bank loans at lower interest rates and repayment of bank loans during FY2016.

A.4 Professional fees

Professional fees was higher in 1Q 2017 due to the 2016 Acquisition and professional services for compliance with safety standards for the US properties.

A.5 Foreign exchange (loss) / gain

The foreign exchange loss recognised in Q1 2017 was mainly due to unrealised exchange loss on EUR denominated shareholders' loans and USD denominated shareholders' loans extended to the Group's subsidiaries as a result of the depreciation of EUR and USD against SGD as at balance sheet date respectively.

The foreign exchange gain recognised in 1Q 2016 mainly comprised realised exchange gain of S\$3.0 million arising from repayment of foreign currency bank loans and unrealised exchange gain of S\$1.3 million (mainly arising from EUR denominated shareholders' loans extended to the Group's subsidiaries as a result of the appreciation of EUR against SGD).

A.6 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts.

A.7 Net change in fair value of serviced residence properties and assets held for sale

This mainly relates to the fair value change of strata units in Fortune Garden Apartments.

A.8 Income tax expense

Taxation for 1Q 2017 was lower by S\$1.2 million as compared to the corresponding period last year.

In 1Q 2016, taxation was higher due to higher withholding tax expense recognised on dividend income received from the Group's subsidiaries.

A.9 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following:

| | GROUP | | Better / (Worse) % |
|---|-----------------------|-----------------------|--------------------------|
| | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 | |
| Depreciation and amortisation | 3,466 | 3,467 | – |
| Manager's management fee payable / paid partially in units | 3,527 | 3,655 | 4 |
| Trustee's fees* | 15 | 15 | – |
| Unrealised foreign exchange loss / (gain) | 4,902 | (1,307) | (475) |
| Net change in fair value of financial derivatives (Note A.6) | (5) | 105 | 105 |
| Net change in fair value of serviced residence properties and assets held for sale (Note A.7) | (145) | 180 | 181 |
| Operating lease expense recognised on a straight-line basis | 913 | – | n.m. |
| Assets written off | 5 | 32 | 84 |
| Deferred tax (credit) / expense | (305) | 28 | n.m. |
| Effect of non-controlling interests arising from the above | (174) | (21) | 729 |

* This relates to the Singapore properties only and is not tax deductible.

1(b)(i) **Statement of Financial Position**

| | Note | GROUP | | REIT | |
|--------------------------------|---------|---------------------|---------------------|---------------------|---------------------|
| | | 31/03/17 S\$'000 | 31/12/16 S\$'000 | 31/03/17 S\$'000 | 31/12/16 S\$'000 |
| Non-Current Assets | | | | | |
| Plant and equipment | | 49,719 | 51,808 | 3,711 | 3,998 |
| Serviced residence properties | B.1 | 4,348,811 | 4,504,416 | 553,005 | 553,002 |
| Interest in subsidiaries | | – | – | 333,831 | 333,396 |
| Interest in associate | | 3,441 | 3,505 | 3,932 | 3,990 |
| Financial derivatives | B.2 | 12,553 | 7,125 | 8,794 | 3,709 |
| Deferred tax assets | | 6,095 | 5,891 | – | – |
| | | 4,420,619 | 4,572,745 | 903,273 | 898,095 |
| Current Assets | | | | | |
| Inventories | | 107 | 201 | – | – |
| Trade and other receivables | | 68,364 | 68,712 | 2,277,473 | 2,293,713 |
| Assets held for sale | B.3 | 130,260 | 6,549 | – | – |
| Financial derivatives | B.2 | 5 | – | 5 | – |
| Cash and cash equivalents | B.4 | 159,518 | 143,074 | 5,143 | 5,778 |
| | | 358,254 | 218,536 | 2,282,621 | 2,299,491 |
| Total Assets | | 4,778,873 | 4,791,281 | 3,185,894 | 3,197,586 |
| Non-Current Liabilities | | | | | |
| Interest bearing liabilities | B.5 | (1,758,908) | (1,715,659) | (258,875) | (260,323) |
| Financial derivatives | B.2 | (6,372) | (17,745) | (2,850) | (13,935) |
| Deferred tax liabilities | | (92,467) | (94,078) | – | – |
| | | (1,857,747) | (1,827,482) | (261,725) | (274,258) |
| Current Liabilities | | | | | |
| Trade and other payables | | (135,926) | (132,991) | (941,136) | (930,747) |
| Interest bearing liabilities | B.5 | (160,530) | (146,973) | (101,807) | (35,513) |
| Financial derivatives | B.2 | (67) | (104) | (67) | (104) |
| Provision for taxation | | (299) | (1,468) | – | – |
| | | (296,822) | (281,536) | (1,043,010) | (966,364) |
| Total Liabilities | | (2,154,569) | (2,109,018) | (1,304,735) | (1,240,622) |
| Net Assets | | 2,624,304 | 2,682,263 | 1,881,159 | 1,956,964 |
| Represented by: | | | | | |
| Unitholders' funds | 1(d)(i) | 2,137,716 | 2,200,625 | 1,479,298 | 1,559,837 |
| Perpetual securities holders | 1(d)(i) | 401,861 | 397,127 | 401,861 | 397,127 |
| Non-controlling interests | 1(d)(i) | 84,727 | 84,511 | – | – |
| Total Equity | | 2,624,304 | 2,682,263 | 1,881,159 | 1,956,964 |

1(b)(ii) **Explanatory Notes to Statement of Financial Position**

B.1 Serviced residence properties

The decrease in the Group's serviced residence properties as at 31 March 2017 was mainly due to the reclassification of the eighteen rental housing properties in Tokyo, Japan from "Serviced residence properties" to "Assets held for sale" under Current Assets (pursuant to the announcement for the divestment of these properties on 13 April 2017) and foreign currency translation differences arising from translating the Group's serviced residence properties as result of the weakening of foreign currencies, particularly EUR, GBP and RMB against SGD.

B.2 Financial derivatives

The financial derivatives relate to the fair value of interest rate swaps (entered into to hedge interest rate risk), fair value of foreign currency forward contracts (entered into to hedge distribution income) and fair value of cross currency swaps (entered into to hedge foreign currency risk).

B.3 Assets held for sale

The increase in the assets held for sale as at 31 March 2017 was mainly due to the reclassification of the eighteen rental housing properties in Tokyo, Japan from “Serviced residence properties” under Non-Current Assets. Please refer to note B.1 above.

The increase was partially offset by the sale of strata units in Fortune Garden Apartments during the period. As at 31 March 2017, the title for one strata unit has not been transferred.

B.4 Cash and cash equivalents

The increase in the Group’s cash and cash equivalents as at 31 March 2017 was mainly due to cash generated from operations, partially offset by distribution paid to Unitholders.

B.5 Interest bearing liabilities

| | GROUP | | REIT | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31/03/17 S\$'000 | 31/12/16 S\$'000 | 31/03/17 S\$'000 | 31/12/16 S\$'000 |
| Amount repayable in one year or less or on demand | | | | |
| - Secured | 58,744 | 111,609 | - | - |
| - Unsecured | 101,883 | 35,647 | 101,883 | 35,647 |
| Less: Unamortised transaction costs | (97) | (283) | (76) | (134) |
| | 160,530 | 146,973 | 101,807 | 35,513 |
| Amount repayable after one year | | | | |
| - Secured | 934,460 | 925,112 | 203,749 | 236,395 |
| - Unsecured | 838,148 | 804,613 | 58,736 | 27,590 |
| Less: Unamortised transaction costs | (13,700) | (14,066) | (3,610) | (3,662) |
| | 1,758,908 | 1,715,659 | 258,875 | 260,323 |
| Total | 1,919,438 | 1,862,632 | 360,682 | 295,836 |

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residences and the assignment of the rights, titles and interests with respect to the serviced residences
- Assignment of rental proceeds from the serviced residences and insurance policies relating to the serviced residences
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

Capital management

As at 31 March 2017, the Group's gearing was 41.1%, below the 45 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. The average cost of debts was 2.3 percent per annum, with an interest cover of 3.8 times. S\$1,587.6 million or 82% of the Group's borrowings are on fixed interest rates with S\$39.6 million due for refinancing in the next 12 months.

Out of the Group's total borrowings, 8 percent falls due in 2017, 10 percent falls due in 2018, 7 percent falls due in 2019, 15 percent falls due in 2020 and the balance falls due after 2020.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2017, ahead of their maturity dates.

1(c) Consolidated Statement of Cash Flows

| | GROUP | |
|--|-----------------------|-----------------------|
| | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 |
| Operating Activities | | |
| Total return for the period before tax | 24,274 | 33,483 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation | 3,466 | 3,467 |
| Loss on disposal of plant and equipment | 18 | 19 |
| Assets written off | 5 | 32 |
| Operating lease expense recognised on a straight-line basis | 913 | – |
| Finance costs | 11,870 | 12,669 |
| Finance income | (251) | (484) |
| Provision for doubtful debts (reversal) / addition | (18) | 18 |
| Manager's management fees payable / paid partially in Units | 3,527 | 3,655 |
| Unrealised foreign exchange loss / (gain) | 4,902 | (1,307) |
| Net change in fair value of financial derivatives | (5) | 105 |
| Net change in fair value of serviced residence properties and assets held for sale | (145) | 180 |
| Share of results of associate | 6 | 22 |
| Operating profit before working capital changes | 48,562 | 51,859 |
| Changes in working capital | 875 | (21,049) |
| Cash generated from operations | 49,437 | 30,810 |
| Income tax paid | (5,251) | (5,700) |
| Cash flows from operating activities | 44,186 | 25,110 |
| Investing Activities | | |
| Acquisition of plant and equipment | (2,697) | (4,826) |
| Capital expenditure on serviced residence properties | (2,815) | (1,005) |
| Deposit paid for acquisition of an investment property | - | (22,247) |
| Proceeds on disposal of assets held for sale | 5,221 | 5,325 |
| Interest received | 251 | 484 |
| Proceeds from sale of plant and equipment | 20 | 31 |
| Cash flows used in investing activities | (20) | (22,238) |
| Financing Activities | | |
| Distribution to Unitholders | (72,620) | (64,087) |
| Interest paid | (10,807) | (11,076) |
| Payment of finance lease | (712) | (731) |
| Proceeds from bank borrowings | 149,715 | 267,941 |
| Proceeds from issue of medium term notes | – | 120,000 |
| Proceeds from issue of new Units | – | 100,000 |
| Payment of issue expenses on issue of new Units | – | (765) |
| Payment of transaction costs on issue of perpetual securities | – | (17) |
| Repayment of bank borrowings | (92,544) | (438,948) |
| Cash flows used in financing activities | (26,968) | (27,683) |
| Increase / (decrease) in cash and cash equivalents | 17,198 | (24,811) |
| Cash and cash equivalents at beginning of the period | 143,074 | 220,467 |
| Effect of exchange rate changes on balances held in foreign currencies | (754) | 3,467 |
| Cash and cash equivalents at end of the period | 159,518 | 199,123 |

1(d)(i) **Statement of Movements in Unitholders' Funds**

| | Note | GROUP | |
|---|----------------|-----------------------|-----------------------|
| | | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 |
| <u>Unitholders' Contribution</u> | | | |
| Balance as at beginning of period | | 1,451,627 | 1,428,452 |
| New Units issued / to be issued ⁽¹⁾ | | | |
| - equity placement on 23 March 2016 | | – | 100,000 |
| - payment of manager's management fees in Units | | 3,498 | 3,995 |
| Issue expense | | – | (1,435) |
| Distribution to Unitholders | | (58,179) | (46,414) |
| Balance as at end of period | | 1,396,946 | 1,484,598 |
| <u>Operations</u> | | | |
| Balance as at beginning of period | | 898,132 | 805,254 |
| Total return for the period attributable to Unitholders / perpetual securities holders | | 17,655 | 25,859 |
| Total return attributable to perpetual securities holders | | (4,734) | (4,787) |
| Change in ownership interests in subsidiaries with no change in control | | – | (183) |
| Transfer between reserves | | – | (115) |
| Distribution to Unitholders | | (14,441) | (17,673) |
| Balance as at end of period | | 896,612 | 808,355 |
| <u>Foreign Currency Translation Reserve</u> | | | |
| Balance as at beginning of period | | (153,410) | (36,260) |
| Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations | | (1,612) | (42,867) |
| Balance as at end of period | | (155,022) | (79,127) |
| <u>Capital Reserve</u> | | | |
| Balance as at beginning of period | | 1,957 | 2,008 |
| Transfer between reserves | | – | 115 |
| Balance as at end of period | | 1,957 | 2,123 |
| <u>Hedging Reserve</u> | | | |
| Balance as at beginning of period | | 2,319 | (9,740) |
| Effective portion of change in fair values of cash flow hedges | | (5,096) | (3,448) |
| Balance as at end of period | | (2,777) | (13,188) |
| Unitholders' Funds | 1(b)(i) | 2,137,716 | 2,202,761 |

⁽¹⁾ These include the Units to be issued as partial satisfaction of the portion of the management fees (comprising base fee and performance fee). With effect from 1 January 2016, to be compliant with Monetary Authority of Singapore's new regulations, the REIT Manager's performance management fee will only be paid once a year, after the end of the financial year.

1(d)(i) **Statement of Movements in Unitholders' Funds**

| | Note | GROUP | |
|---|---------|-----------------------|-----------------------|
| | | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 |
| Perpetual Securities | | | |
| Balance as at beginning of period | | 397,127 | 397,094 |
| Total return attributable to perpetual securities holders | | 4,734 | 4,787 |
| Balance as at end of period | 1(b)(i) | 401,861 | 401,881 |
| Non-controlling Interests | | | |
| Balance as at beginning of period | | 84,511 | 81,768 |
| Total return for the period | | 1,516 | 1,351 |
| Change in ownership interests in subsidiaries with no change in control | | – | 183 |
| Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations | | (1,300) | (127) |
| Balance as at end of period | 1(b)(i) | 84,727 | 83,175 |
| Equity | 1(b)(i) | 2,624,304 | 2,687,817 |

1(d)(i) **Statement of Movements in Unitholders' Funds**

| | Note | REIT | |
|--|---------|-----------------------|-----------------------|
| | | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 |
| Unitholders' Contribution | | | |
| Balance as at beginning of period | | 1,451,627 | 1,428,452 |
| New Units issued / to be issued ⁽¹⁾ | | | |
| - equity placement on 23 March 2016 | | – | 100,000 |
| - payment of manager's management fees in Units | | 3,498 | 3,995 |
| Issue expenses | | – | (1,435) |
| Distribution to Unitholders | | (58,179) | (46,414) |
| Balance as at end of period | | 1,396,946 | 1,484,598 |
| Operations | | | |
| Balance as at beginning of period | | 112,094 | 192,507 |
| Total return for the period attributable to Unitholders / perpetual securities holders | | (7,203) | (36,117) |
| Total return attributable to perpetual securities holders | | (4,734) | (4,787) |
| Distribution to Unitholders | | (14,441) | (17,673) |
| Balance as at end of period | | 85,716 | 133,930 |
| Hedging Reserve | | | |
| Balance as at beginning of period | | (3,884) | (6,432) |
| Effective portion of change in fair values of cash flow hedges | | 520 | 1,142 |
| Balance as at end of period | | (3,364) | (5,290) |
| Unitholders' Funds | 1(b)(i) | 1,479,298 | 1,613,238 |
| Perpetual Securities | | | |
| Balance as at beginning of period | | 397,127 | 397,094 |
| Total return attributable to perpetual securities holders | | 4,734 | 4,787 |
| Balance as at end of period | 1(b)(i) | 401,861 | 401,881 |
| Equity | 1(b)(i) | 1,881,159 | 2,015,119 |

⁽¹⁾ Refer to footnote on page 11.

1(d)(ii) **Details of any change in the Units**

| | REIT | |
|--|--------------------|--------------------|
| | 1Q 2017 '000 | 1Q 2016 '000 |
| Balance as at beginning of period | 1,653,471 | 1,548,736 |
| Issue of new Units: | | |
| - equity placement on 23 March 2016 | - | 94,787 |
| - partial payment of manager's management fees in Units ⁽¹⁾ | 7,522 | 3,578 |
| Balance as at end of period | 1,660,993 | 1,647,101 |

Note 1: For 1Q 2017, it relates to payment of the base fee for 4Q 2016 and performance fee for FY 2016. For 1Q 2016, it relates to payment of both base fee and performance fee for 4Q 2015.

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2016.

5. **If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2017. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

6. **Earnings per Unit ("EPU") and distribution per Unit ("DPU") for the financial period**

In computing the EPU, the weighted average number of Units for the period is used for the computation.

| | GROUP | |
|--|-----------------------|-----------------------|
| | 1Q 2017 S\$'000 | 1Q 2016 S\$'000 |
| Total return for the period attributable to Unitholders / perpetual securities holders | 17,655 | 25,859 |
| Less: Total return for the period attributable to perpetual securities holders | (4,734) | (4,787) |
| Total return for the period attributable to Unitholders | 12,921 | 21,072 |

| Earnings per Unit (EPU) | 1Q 2017 | 1Q 2016 |
|--|--------------------|--------------------|
| Weighted average number of Units for the period ('000) | | |
| – Basic | 1,657,901 | 1,560,352 |
| – Diluted ⁽¹⁾ | 1,664,230 | 1,563,949 |
| EPU (cents) (based on the weighted average number of Units for the period) | | |
| – Basic | 0.78 | 1.35 |
| – Diluted | 0.78 | 1.35 |

Note 1: Prior to 1 January 2016, the Manager's management fees (comprising base fees and performance fees) are issued within 60 days from the end of the quarter. With effect from 1 January 2016, due to a new requirement of the Monetary Authority of Singapore, the Units in connection with the performance fees will be issued once a year, after the end of the financial year.

In computing the DPU, the number of Units as at the end of each period is used for the computation.

| | 1Q 2017 | 1Q 2016 | | |
|--|--------------------|--|---|--|
| | | 1 Jan 2016 to 22 Mar 2016 | 23 Mar 2016 to 31 Mar 2016 | 1 Jan 2016 to 31 Mar 2016 |
| Distribution per Unit (DPU) | | | | |
| Number of Units on issue at end of period ('000) | 1,660,993 | 1,552,314 | 1,647,101 | 1,647,101 |
| DPU (cents) | 1.51 | 1.59 ⁽²⁾ | 0.16 | 1.75 |

Note 2: This pertains to the advanced distribution for the period from 1 January 2016 to 22 March 2016, prior to the date on which the placement units were issued.

7. Net asset value ("NAV") Per Unit / Net Tangible Assets ("NTA") Per Unit

| | GROUP | | REIT | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 31/03/17 | 31/12/16 | 31/03/17 | 31/12/16 |
| NAV / NTA per Unit ⁽¹⁾ (S\$) | 1.29 | 1.33 | 0.89 | 0.94 |
| Adjusted NAV / NTA per Unit (excluding the distributable income to Unitholders) (S\$) | 1.27 | 1.29 | 0.88 | 0.90 |

Note 1: NAV / NTA per Unit is computed based on net asset value / net tangible asset over the issued Units at the end of the period.

8. **Group Performance Review**

8(a) **Revenue and Gross Profit Analysis – 1Q 2017 vs. 1Q 2016 (Local Currency (“LC”))**

| | | Revenue ¹ | | | | Gross Profit ¹ | | | | REVPAU Analysis ² | | |
|--|------------------|----------------------|------------|--------------------|------|---------------------------|------------|--------------------|------|------------------------------|------------|--------------------|
| | | 1Q 2017 | 1Q 2016 | Better/ (Worse) | | 1Q 2017 | 1Q 2016 | Better/ (Worse) | | 1Q 2017 | 1Q 2016 | Better/ (Worse) |
| | | LC'm | LC'm | LC'm | % | LC'm | LC'm | LC'm | % | LC/day | LC/day | % |
| Master Leases | | | | | | | | | | | | |
| Australia | AUD | 1.8 | 1.8 | – | – | 1.7 | 1.7 | – | – | – | – | – |
| France | EUR | 5.8 | 5.8 | – | – | 5.3 | 5.3 | – | – | – | – | – |
| Germany | EUR | 1.3 | 1.4 | (0.1) | (7) | 1.2 | 1.4 | (0.2) | (14) | – | – | – |
| Japan | JPY | 133.3 | 133.3 | – | – | 105.1 | 103.4 | 1.7 | 2 | – | – | – |
| Singapore | S\$ | 1.9 | 2.2 | (0.3) | (14) | 1.8 | 2.0 | (0.2) | (10) | – | – | – |
| Management contracts with minimum guaranteed income | | | | | | | | | | | | |
| Belgium | EUR | 1.7 | 1.6 | 0.1 | 6 | 0.5 | 0.3 | 0.2 | 67 | 50 | 50 | – |
| Spain | EUR | 1.1 | 1.0 | 0.1 | 10 | 0.5 | 0.4 | 0.1 | 25 | 78 | 73 | 7 |
| United Kingdom | GBP | 5.5 | 5.3 | 0.2 | 4 | 2.0 | 2.1 | (0.1) | (5) | 95 | 91 | 4 |
| Management contracts | | | | | | | | | | | | |
| Australia | AUD | 7.0 | 7.2 | (0.2) | (3) | 2.9 | 3.1 | (0.2) | (7) | 155 | 158 | (2) |
| China | RMB | 71.5 | 74.9 | (3.4) | (5) | 22.4 | 20.4 | 2.0 | 10 | 387 | 399 | (3) |
| Indonesia | USD | 2.9 | 2.8 | 0.1 | 4 | 1.0 | 1.3 | (0.3) | (23) | 76 | 72 | 6 |
| Japan | JPY | 1,106.5 | 1,144.4 | (37.9) | (3) | 604.8 | 643.6 | (38.8) | (6) | 11,130 | 11,573 | (4) |
| Malaysia | MYR | 4.1 | 5.0 | (0.9) | (18) | 1.2 | 1.7 | (0.5) | (29) | 220 | 264 | (17) |
| Philippines | PHP | 225.1 | 193.6 | 31.5 | 16 | 70.9 | 61.4 | 9.5 | 16 | 4,626 | 3,915 | 18 |
| Singapore | S\$ | 5.7 | 6.4 | (0.7) | (11) | 1.9 | 2.4 | (0.5) | (21) | 178 | 201 | (11) |
| United States of America | USD | 11.5 | 6.3 | 5.2 | 83 | 0.1 | 0.5 | (0.4) | (80) | 161 | 165 | (2) |
| Vietnam | VND ¹ | 178.1 | 158.6 | 19.5 | 12 | 101.3 | 87.9 | 13.4 | 15 | 1,669 | 1,516 | 10 |

¹ Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

² REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

8(a) **Revenue and Gross Profit Analysis – 1Q 2017 vs. 1Q 2016 (S\$)**

| | Revenue | | | | Gross Profit | | | | REVPAU Analysis ¹ | | |
|--|--------------|--------------|-----------------|------------|--------------|-------------|-----------------|------------|------------------------------|------------|-----------------|
| | 1Q 2017 | 1Q 2016 | Better/ (Worse) | | 1Q 2017 | 1Q 2016 | Better/ (Worse) | | 1Q 2017 | 1Q 2016 | Better/ (Worse) |
| | S\$m | S\$m | S\$m | % | S\$m | S\$m | S\$m | % | S\$/day | S\$/day | % |
| Master Leases | | | | | | | | | | | |
| Australia | 2.0 | 1.8 | 0.2 | 11 | 1.9 | 1.7 | 0.2 | 12 | – | – | – |
| France | 8.7 | 8.9 | (0.2) | (2) | 7.9 | 8.1 | (0.2) | (3) | – | – | – |
| Germany | 2.0 | 2.2 | (0.2) | (9) | 1.7 | 2.1 | (0.4) | (19) | – | – | – |
| Japan | 1.7 | 1.6 | 0.1 | 6 | 1.3 | 1.2 | 0.1 | 8 | – | – | – |
| Singapore | 1.9 | 2.2 | (0.3) | (14) | 1.8 | 2.0 | (0.2) | (10) | – | – | – |
| Sub-total | 16.3 | 16.7 | (0.4) | (2) | 14.6 | 15.1 | (0.5) | (3) | – | – | – |
| Management contracts with minimum guaranteed income | | | | | | | | | | | |
| Belgium | 2.5 | 2.4 | 0.1 | 4 | 0.8 | 0.4 | 0.4 | 100 | 75 | 77 | (3) |
| Spain | 1.7 | 1.5 | 0.2 | 13 | 0.7 | 0.6 | 0.1 | 17 | 117 | 114 | 3 |
| United Kingdom | 9.7 | 10.8 | (1.1) | (10) | 3.5 | 4.3 | (0.8) | (19) | 167 | 185 | (10) |
| Sub-total | 13.9 | 14.7 | (0.8) | (5) | 5.0 | 5.3 | (0.3) | (6) | 133 | 143 | (7) |
| Management contracts | | | | | | | | | | | |
| Australia | 7.4 | 7.3 | 0.1 | 1 | 3.2 | 3.2 | – | – | 165 | 161 | 3 |
| China | 14.8 | 16.2 | (1.4) | (9) | 4.6 | 4.4 | 0.2 | 5 | 80 | 86 | (7) |
| Indonesia | 4.2 | 4.0 | 0.2 | 5 | 1.4 | 1.8 | (0.4) | (22) | 109 | 102 | 7 |
| Japan | 13.7 | 13.8 | (0.1) | (1) | 7.6 | 7.8 | (0.2) | (3) | 139 | 139 | – |
| Malaysia | 1.3 | 1.7 | (0.4) | (24) | 0.4 | 0.6 | (0.2) | (33) | 70 | 88 | (21) |
| Philippines | 6.4 | 5.8 | 0.6 | 10 | 2.0 | 1.8 | 0.2 | 11 | 132 | 117 | 13 |
| Singapore | 5.7 | 6.4 | (0.7) | (11) | 1.9 | 2.4 | (0.5) | (21) | 178 | 201 | (11) |
| United States of America | 16.4 | 8.9 | 7.5 | 84 | 0.1 | 0.7 | (0.6) | (86) | 229 | 234 | (2) |
| Vietnam | 11.2 | 10.0 | 1.2 | 12 | 6.4 | 5.5 | 0.9 | 16 | 105 | 96 | 9 |
| Sub-total | 81.1 | 74.1 | 7.0 | 9 | 27.6 | 28.2 | (0.6) | (2) | 127 | 121 | 5 |
| Group | 111.3 | 105.5 | 5.8 | 5 | 47.2 | 48.6 | (1.4) | (3) | 128 | 125 | 2 |

¹ REVPAU for Japan refers to serviced residences and excludes rental housing.

Group

Please refer to para 1(a)(ii)(A.1) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

Australia

Both revenue and gross profit remained at the same level as 1Q 2016.

In SGD terms, both revenue and gross profit increased by S\$0.2 million due to appreciation of AUD against SGD.

France

Revenue and gross profit remained at the same level as 1Q 2016.

In SGD terms, revenue and gross profit decreased by S\$0.2 million or 2% and S\$0.2 million or 3% respectively due to depreciation of EUR against SGD.

Germany

Revenue decreased by EUR 0.1 million or 7% as compared to 1Q 2016 as there was a reversal of over-accrual of revenue of EUR 0.1 million in prior periods recognised in 1Q 2017, which resulted in lower revenue in 1Q 2017.

Gross profit decreased by EUR 0.2 million or 14% as compared to 1Q 2016 due to lower revenue and higher repair and maintenance expense.

In SGD terms, revenue decreased by S\$0.2 million or 9% and gross profit decreased by S\$0.4 million or 19% due to lower underlying performance and depreciation of EUR against SGD.

Japan

Revenue remained at the same level as 1Q 2016. Gross profit increased by JPY 1.7 million or 2% as compared to 1Q 2016 due to lower value-added tax expense incurred.

In SGD terms, revenue and gross profit increased by S\$0.1 million or 6% and S\$0.1 million or 8% respectively due to appreciation of JPY against SGD.

Singapore

Revenue decreased by S\$0.3 million or 14% as compared to 1Q 2016 due to reduction in corporate accommodation budgets. Gross profit decreased by S\$0.2 million or 10% due to lower revenue.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.1 million or 6% in 1Q 2017 as compared to 1Q 2016 due to stronger corporate demand. REVPAU remained at the same level as 1Q 2016.

Gross profit increased by EUR 0.2 million or 67% due to higher revenue and lower property tax (arising from reversal of provision no longer required).

In SGD terms, revenue and gross profit increased by S\$0.1 million or 4% and S\$0.4 million or 100% respectively as compared to 1Q 2016 due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

Spain

Revenue increased by EUR 0.1 million or 10% as compared to 1Q 2016 due to higher leisure demand and retail income. REVPAU increased by 7% from EUR 73 in 1Q 2016 to EUR 78 in 1Q 2017.

Gross profit increased by EUR 0.1 million or 25% due to higher revenue.

In SGD terms, revenue and gross profit increased by S\$0.2 million or 13% and S\$0.1 million or 17% respectively.

United Kingdom

Revenue increased by GBP 0.2 million or 4% as compared to 1Q 2016 due to stronger demand. REVPAU increased by 4% from GBP 91 in 1Q 2016 to GBP 95 in 1Q 2017.

Gross profit decreased by GBP 0.1 million or 5% due to higher staff costs and marketing expense.

In SGD terms, revenue and gross profit decreased by S\$1.1 million or 10% and S\$0.8 million or 19% respectively due to stronger underlying performance, partially offset by depreciation of GBP against SGD.

C. Management contracts

Australia

Revenue decreased by AUD 0.2 million or 3% as compared to 1Q 2016 mainly due to weaker market conditions in Perth. REVPAU decreased by 2% from AUD 158 in 1Q 2016 to AUD 155 in 1Q 2017. Gross profit decreased by AUD 0.2 million or 7% due to lower revenue.

In SGD terms, revenue increased by S\$0.1 million or 1% due to appreciation of AUD against SGD, partially offset by weaker underlying performance. Gross profit, in SGD terms, remained at the same level as 1Q 2016.

China

Revenue decreased by RMB 3.4 million or 5% as compared to 1Q 2016 mainly due to weaker demand from project groups in the regional cities, partially offset by higher revenue from the refurbished apartments at Somerset Xu Hui Shanghai. REVPAU decreased by 3% from RMB 399 in 1Q 2016 to RMB 387 in 1Q 2017. Gross profit increased by RMB 2.0 million or 10% due to lower business tax and property tax (arising from refund from the tax authorities).

In SGD terms, revenue decreased by S\$1.4 million or 9% due to weaker underlying performance and depreciation of RMB against SGD. Gross profit, in SGD terms, increased by S\$0.2 million or 5%.

Indonesia

Revenue increased by USD 0.1 million or 4% as compared to 1Q 2016 due to higher demand from corporate accounts. REVPAU increased by 6% from USD 72 in 1Q 2016 to USD 76 in 1Q 2017. Gross profit decreased by USD 0.3 million or 23% as gross profit was higher in 1Q 2016 due to reversal of provision no longer required.

In SGD terms, revenue increased by S\$0.2 million or 5% as compared to 1Q 2016 due to stronger underlying performance and appreciation of USD against SGD. Gross profit, in SGD terms, decreased by S\$0.4 million or 22%.

Japan

Revenue decreased by JPY 37.9 million or 3% as compared to 1Q 2016 due to weak market demand. REVPAU decreased by 4% from JPY 11,573 in 1Q 2016 to JPY 11,130 in 1Q 2017. Gross profit decreased by JPY 38.8 million or 6% as compared to 1Q 2016 due to lower revenue, higher operation and maintenance expense and marketing expense.

In SGD terms, revenue and gross profit decreased by S\$0.1 million or 1% and S\$0.2 million or 3% respectively due to weaker underlying performance, mitigated by appreciation of JPY against SGD.

Malaysia

Revenue decreased by MYR 0.9 million or 18% as compared to 1Q 2016 due to weaker demand from oil and gas and banking industries. REVPAU decreased by 17% from MYR 264 in 1Q 2016 to MYR 220 in 1Q 2017. Gross profit decreased by MYR 0.5 million or 29% due to lower revenue.

In SGD terms, revenue and gross profit decreased by S\$0.4 million or 24% and S\$0.2 million or 33% respectively due to weaker underlying performance and depreciation of MYR against SGD.

The Philippines

Revenue increased by PHP 31.5 million or 16% as compared to 1Q 2016 due to renovation of Ascott Makati in 1Q 2016. REVPAU increased by 18% from PHP 3,915 in 1Q 2016 to PHP 4,626 in 1Q 2017. Gross profit increased by PHP 9.5 million or 16% due to higher revenue, partially offset by higher depreciation expense (arising from the renovation of Ascott Makati).

In SGD terms, revenue and gross profit increased by S\$0.6 million or 10% and S\$0.2 million or 11% respectively due to stronger underlying performance, mitigated by depreciation of PHP against SGD.

Singapore

Revenue decreased by S\$0.7 million or 11% as compared to 1Q 2016 due to weaker market demand and reduction in corporate accommodation budgets. REVPAU decreased by 11% from S\$201 in 1Q 2016 to S\$178 in 1Q 2017.

Gross profit decreased by S\$0.5 million or 21% due to lower revenue.

The United States of America

Revenue increased by USD 5.2 million or 83% as compared to 1Q 2016, mainly due to the acquisition of Sheraton Tribeca New York Hotel on 29 April 2016. REVPAU decreased by 2% due to lower REVPAU from Sheraton Tribeca New York Hotel. Gross profit decreased by USD 0.4 million or 80% due to recognition of operating lease expense on a straight-line basis.

Excluding the contribution from Sheraton Tribeca New York Hotel, revenue decreased by USD 0.1 million and gross profit decreased by USD 0.6 million as compared to 1Q 2016.

In SGD terms, revenue increased by S\$7.5 million or 84%. Gross profit, in SGD terms, decreased by S\$0.6 million or 86% due to lower revenue.

Vietnam

Revenue increased by VND 19.5 billion or 12% in 1Q 2017 as compared to 1Q 2016. The increase was mainly due to higher revenue from the refurbished apartments at Somerset Ho Chi Minh City, higher corporate demand for serviced residences and higher commercial rent. REVENUE increased by 10% from VND 1,516,000 in 1Q 2016 to VND 1,669,000 in 1Q 2017. Gross profit increased by VND 13.4 billion or 15% due to higher revenue, partially offset by higher staff costs.

In SGD terms, revenue and gross profit increased by S\$1.2 million or 12% and S\$0.9 million or 16% respectively due to stronger underlying performance.

9. Variance from forecast

The Group has not disclosed any forecast to the market.

10. Commentary of the significant trends and the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

On 6 March 2017, Ascott Reit announced the launch of an underwritten and renounceable rights issue (the "Rights Issue") to raise gross proceeds of S\$442.7 million and the acquisition of two serviced residence properties in Germany from its Sponsor, The Ascott Limited. Including valid acceptances and excess applications, the Rights Issue which closed on 31 March 2017 was 1.8 times subscribed. The proceeds from the Rights Issue will be used to part fund the acquisition of Ascott Orchard Singapore and the two serviced residence properties in Germany. The acquisition of two serviced residence properties in Germany was approved by the unitholders at the extraordinary general meeting held on 19 April 2017. Upon completion of these acquisitions, Ascott Reit's asset size will grow to S\$5.3 billion. Ascott Reit will continue to remain on the lookout for accretive opportunities in the key gateway cities of Australia, Japan, Europe and the United States of America.

The refurbishment of Somerset Millennium Makati and Somerset Ho Chi Minh City has been completed in 1Q 2017. The refurbishment of Citadines Barbican London is expected to be completed in 2Q 2017. The Group will continue to refurbish Ascott REIT's properties to enhance guest experience and maximise returns to Unitholders.

On 13 April 2017, Ascott Reit announced the divestment of 18 rental housing properties in Japan, in line with its strategy to optimise returns to Unitholders. The estimated net gain from the divestment is approximately JPY831 million (equivalent to approximately S\$10.6 million). Ascott Reit will continue to review its portfolio to identify opportunities to unlock the underlying value of properties with limited growth potential and re-deploy proceeds into higher yielding assets.

In March 2017, the US Federal Reserve raised its target for short-term interest rates by 25 basis points with further hikes expected in the course of the year. On the capital management front, the Group continues to maintain a disciplined and prudent capital management approach. Ascott Reit continues to maintain a strong balance sheet, with more than 80% of its total borrowings on fixed interest rates to hedge against the rising interest rate. The Group has embarked on the refinancing of the loans that are coming due in 2017 and will continue to actively monitor its interest rate and exchange rate exposure.

Going forward, global economic recovery is likely to remain slow-paced. Notwithstanding, Ascott Reit will continue to focus on creating stable income and returns to Unitholders through its diversified portfolio and extended-stay business model, together with the master leases and management contracts with minimum guaranteed income.

11. DISTRIBUTIONS

11(a) Current financial period

Any distributions declared for the current financial period? No

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Period of distribution : Distribution for 1 January 2016 to 22 March 2016

| Type | Distribution | Distribution Rate (cents) |
|----------------|--------------|---------------------------|
| Taxable Income | | 0.252 |
| Capital | | 1.333 |
| Total | | 1.585 |

In connection with the equity placement exercise on 23 March 2016, Ascott Reit made, in lieu of the scheduled semi-distribution, an advanced distribution of Ascott Reit's distributable income for the period from 1 January 2016 to 22 March 2016 (prior to the date on which the placement units were issued).

- 11(c) Book closure date : Not applicable
11(d) Date payable : Not applicable

12. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13. General mandate for Interested Person Transactions (“IPT”)

The Group has not obtained a general mandate from Unitholders for IPT.

14. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”), as required by Rule 720(1) of the Listing Manual.

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the statements of financial position as at 31 March 2017, consolidated statement of total return, consolidated statement of cash flows and statement of movements in unitholders’ funds for the three months ended 31 March 2017, together with their accompanying notes), to be false or misleading in any material aspect.

On behalf of the Board
Ascott Residence Trust Management Limited

Tan Beng Hai
Chairman

Tay Boon Hwee, Ronald
Director

This release 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 other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Karen Chan
Company Secretary
21 April 2017