

ASCOTT REIT DIVESTS ASCOTT RAFFLES PLACE SINGAPORE FOR S\$353.3 MILLION

Proactive portfolio reconstitution enhances financial flexibility to invest in accretive opportunities

Singapore, 9 January 2019 – Ascott Residence Trust (Ascott Reit) has entered into an agreement to sell Ascott Raffles Place Singapore for S\$353.3 million to an unrelated third party. The sale is in line with Ascott Reit’s strategy to regularly evaluate and rejuvenate its portfolio.

The sale price of S\$353.3 million is 64.3% above the property’s latest valuation of S\$215 million as at 31 December 2018¹. The price was agreed at after a marketing exercise conducted by an independent property consultant. Ascott Reit is expected to realise an estimated net gain of S\$134 million. Net proceeds from the sale could be channelled into new investment opportunities that will offer better growth prospects for Ascott Reit. The transaction is expected to be completed in May 2019.

Ms Beh Siew Kim, Ascott Residence Trust Management Limited’s Chief Executive Officer, said: “The divestment is in line with Ascott Reit’s strategy to proactively reconstitute our portfolio to optimise returns for Unitholders. The sale will give us the financial flexibility to recycle capital and invest in higher-yielding properties. We may also use the sale proceeds to pay down debt which will then increase our debt headroom for potential acquisitions of quality assets or to develop our own properties such as lyf one-north Singapore to enhance Ascott Reit’s portfolio. As Ascott Raffles Place Singapore accounts for 3% of Ascott Reit’s gross profit for the nine months ended 30 September 2018, its sale is not expected to have a material impact on Ascott Reit’s financial performance.”

Ascott Reit’s other operational properties in Singapore are Ascott Orchard Singapore, Citadines Mount Sophia Singapore and Somerset Liang Court Singapore. lyf one-north Singapore is expected to open in 2021.

Ascott Reit acquired Ascott Raffles Place Singapore from The Ascott Limited for S\$220 million in 2012. The premier serviced residence has a prime location in Singapore’s Central Business District. It is situated next to the Mass Rapid Transit Station and is close to an array of dining and entertainment options.

¹ The independent valuation of the property is conducted by Colliers International, using the discounted cash flow method.

Property details

Location	2 Finlayson Green, Singapore 049247
Gross Floor Area	15,696 sqm (168,952 sq ft)
No. of apartment units	146 units including studios, one- and two-bedroom apartments
Tenure	Leasehold estate of 999 years
Year property opened	2008

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\$5.3 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 73 properties with 11,430 units in 37 cities across 14 countries in the Americas, Asia Pacific and Europe (as at 30 September 2018).

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, 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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