

ASCOTT RESIDENCE TRUST'S 4Q 2019 DISTRIBUTION PER STAPLED SECURITY RISES 6% TO 2.27 CENTS

ART cements position as proxy hospitality trust in Asia Pacific and continues its proactive portfolio management with acquisition of a Quest freehold serviced residence in Sydney

Singapore, 30 January 2020 – Ascott Residence Trust's (ART) distribution per stapled security (DPS) for 4Q 2019 rose 6% to 2.27 cents compared with 4Q 2018. Unitholders' distribution for 4Q 2019 increased 6% year-on-year to S\$49.3 million. Gross profit went up by 3% to S\$65.3 million due to the adoption of accounting standard FRS 116 Leases¹ with effect from 1 January 2019. In 4Q 2019, gross profit² for the Philippines, Belgium and Singapore increased by 42%, 38% and 20% respectively due to stronger demand. Gross profit² for Vietnam also grew 7% because of higher corporate demand.

While ART's revenue for 4Q 2019 decreased following the divestment of Ascott Raffles Place Singapore and Somerset West Lake Hanoi, its revenue for the year ended 31 December 2019 increased year-on-year. The increase was largely due to higher revenue from the existing properties and additional contribution from the acquisition of Citadines Connect Sydney Airport in May 2019.

ART maintains a balanced and diversified portfolio that provides stable and growth income. About 38% of the gross profit for 4Q 2019 was contributed by stable income from properties on master leases and properties on management contracts with minimum guaranteed income, while the remaining 62% was from properties on management contracts.

Mr Bob Tan, Chairman of Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. (the Managers), said: "The successful combination of ART and Ascendas Hospitality Trust at the end of 2019 has cemented ART's position as the proxy hospitality trust in Asia Pacific with a total asset value of S\$7.4 billion³. ART's DPS is higher in the fourth quarter, as we continue to proactively enhance and reconstitute our portfolio. With an enlarged debt headroom of S\$1.5 billion, we have greater capacity for more acquisitions, development or conversion projects. For two years, we have achieved over 75% of EBITDA⁴ contribution from developed markets. ART is well-positioned for inclusion into the FTSE EPRA Nareit Developed Index⁵. This will lead to higher trading liquidity and visibility to institutional investors, as well as a potential positive re-rating."

¹ The adoption of the accounting standard FRS 116 Leases has changed the nature of expenses for ART's portfolio of operating leases and replaced the straight-line operating lease expense to change in fair value for right-of-use assets and interest expense on lease liabilities.

² Gross profit based on local currencies.

³ As at 31 December 2019.

⁴ EBITDA refers to earnings before interest, taxes, depreciation and amortisation.

⁵ FTSE EPRA Nareit Developed Index tracks the performance of listed real estate companies and REITs worldwide.

Ms Beh Siew Kim, the Chief Executive Officer of the Managers of ART, said: “As part of our active portfolio management, ART has entered into an agreement to acquire a prime freehold serviced residence in Australia for A\$46.0 million. The acquisition of Quest Macquarie Park Sydney is in line with ART’s strategy to enhance returns for our stapled securityholders while strengthening investments in developed markets and maintaining a predominantly Asia Pacific-centric portfolio. The Quest serviced residence, which is well-located in Sydney’s second largest business district of Macquarie Park, will be under a master lease agreement and will add to our stream of stable income when the transaction completes by 1Q 2020. The annual rent under the master lease agreement provides an EBITDA yield of mid 5% and is also indexed at a 4% increase each year, subject to periodic market review.”

Ms Beh added: “Through proactive portfolio reconstitution, we have unlocked over S\$100 million in total net gains in 4Q 2019. Our recent divestment of the partial gross floor area of Somerset Liang Court Singapore for S\$163.3 million at 44% above book value is slated for completion in April 2020. We will begin to develop the property in the second quarter. We have also divested Somerset West Lake Hanoi in October 2019 at a value of S\$18.5 million, which was 39% above book value. The divestment of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan, at over 30% above their combined book values, is also expected to complete in 1H 2020. lyf one-north Singapore is also slated to complete construction by end 2020 and open in 2021. We will continue to seek accretive investments in gateway cities while actively identifying opportunities to unlock the value of assets and redeploy the capital to higher-yielding properties.”

On the Novel Coronavirus situation, Ms Beh said: “The well-being of our guests and employees is our top priority. We are actively monitoring the development of the Novel Coronavirus situation and have taken the necessary precautionary measures at our properties in accordance with guidelines from the health authorities. These include conducting temperature checks at our properties and intensifying cleaning and disinfecting of our properties. Our properties are proactively extending assistance to guests whose travel plans have been disrupted. We have advised guests and employees to observe good personal hygiene and monitor their health closely. We will continue to monitor the situation closely and take more precautionary measures where necessary.”

“The extent of the impact from the Novel Coronavirus situation is uncertain as it is still evolving. Our geographically diversified portfolio with no concentration of earnings from any single market⁶, as well as mix of stable and growth income streams, are expected to mitigate the impact. Post-combination with A-HTRUST, ART’s proportion of stable income is also expected to increase with the addition of more properties on master leases.”

⁶ ART owns seven properties in China, including one in Wuhan – Citadines Zhuankou Wuhan which contributes less than 1% to ART’s total gross profit in 4Q 2019. Following the divestment of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan, which is expected to complete in 1H 2020, ART’s portfolio in China will be reduced to five properties, which will contribute less than 5% of its total gross profit.

ART has 86% of its total borrowings on fixed interest rates to hedge against potential rising interest rates. Effective borrowing cost⁷ remained low at 2.0% per annum. Its gearing of 33.6%⁸ as at 31 December 2019 was well below the 45% gearing threshold set by the Monetary Authority of Singapore.

Summary of Results

	4Q 2019	4Q 2018	Variance (%)	YTD Dec 2019	YTD Dec 2018	Variance (%)
Revenue (S\$ million)	134.1	136.5	-2	514.9	514.3	-
Gross Profit (S\$ million) ^(a)	65.3	63.4	+3	252.6	239.4	+6
Unitholders' Distribution (S\$ million) ^{(b) (c)}	49.3	46.5	+6	165.6	154.8	+7
Distribution Per Stapled Security (DPS) (cents)	2.27	2.15	+6	7.61	7.16	+6
DPS (cents) (adjusted for one-off items) ^(d)	1.65	1.76	-6	6.40	6.41	-
Revenue Per Available Unit (RevPAU) S\$/day	160	163	-2	152	151	+1

(a) FRS 116 Leases is effective from 1 January 2019. The adoption of this standard changes the nature of expense for the Group's portfolio of operating leases and replaced the straight-line operating lease expense to change in fair value for right-of-use assets and interest expense on lease liabilities. Please see section 5 of the financial statement for more details. Gross profit (excluding FRS 116 impact) for 4Q 2019 and YTD Dec 2019 is S\$60.1 million and S\$232.0 million respectively.

(b) Unitholders' distribution for 4Q 2019 included a one-off partial distribution of divestment gain of S\$13.5 million to replace lost income and share divestment gains with stapled securityholders.

Unitholders' distribution for 4Q 2018 included a one-off partial distribution of divestment gain of S\$6.5 million.

(c) Unitholders' distribution for YTD Dec 2019 included a realised exchange gain of S\$5.7 million arising from the repayment of foreign currency bank loans with the divestment proceeds from Ascott Raffles Place Singapore, and the partial distribution of divestment gain of S\$17.5 million.

⁷ Excluding the effect of FRS 116 Leases which was effective 1 January 2019.

⁸ Computation of gearing excludes lease liabilities recognised by virtue of FRS 116 as these operating leases were entered into the ordinary course of business and were in effect before 1 January 2019.

Unitholders' distribution for YTD Dec 2018 included a realised exchange gain of S\$1.6 million arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds, and the partial distribution of divestment gain of S\$6.5 million.

- (d) DPS for 4Q 2019 was adjusted to exclude the divestment gain (as mentioned above) and DPS for 4Q 2018 was adjusted to exclude the divestment gain (as mentioned above) and contribution from Ascott Raffles Place Singapore.

For YTD Dec 2019 and YTD Dec 2018, the DPS was adjusted to exclude the divestment gain, realised exchange gain and contribution from Ascott Raffles Place Singapore.

Distribution and Book Closure Date

- ART's distributions, made on a semi-annual basis, are as follows:

Distribution	For 1 January 2019 to 30 June 2019	For 1 July 2019 to 31 December 2019
Distribution Rate	3.431 cents per Unit	4.180 cents per Unit
Book Closure Date	7 August 2019	30 December 2019
Payment Date	29 August 2019	10 February 2020

For ART's FY 2019 financial statement and presentation, please visit www.ascottresidencetrust.com.

For more information on Quest Macquarie Park Sydney, please refer to the Annex.

About Ascott Residence Trust

Ascott Residence Trust (ART) is the largest hospitality trust in Asia Pacific with an asset value of S\$7.4 billion as at 31 December 2019. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, ART's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, hotels, rental housing properties and other hospitality assets in any country in the world.

ART's international portfolio comprises 87 properties with more than 16,000 units in 39 cities across 15 countries in Asia Pacific, Europe and the United States of America as at 31 December 2019.

ART's properties are mostly operated under the Ascott The Residence, Somerset, Quest and Citadines 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, Seoul, Shanghai, Singapore and Tokyo.

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT). ART is managed by Ascott Residence Trust Management Limited (as manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd. (as trustee-manager of Ascott BT), both of which are wholly owned subsidiaries of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S\$131.7 billion as at 30 September 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

Important Notice

This release may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), 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 the current view of management regarding future events. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy,

completeness or correctness of the information or opinions contained in this release. Neither Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. (“Managers”) nor any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this release or its contents or otherwise arising in connection with this release.

The past performance of Ascott Residence Trust (“ART”) is not indicative of future performance. The listing of the stapled securities in the ART (“Stapled Securities”) on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

This release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.

Issued by:

Ascott Residence Trust Management Limited
Ascott Business Trust Management Pte. Ltd.
168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Tel: (65) 6713 2888 Fax: (65) 6713 2121
Website: <http://www.ascottresidencetrust.com>

For more information, please contact:

Analyst Contact

Kang Wei Ling
Vice President
Investor Relations & Asset Management
Tel: (65) 6713 3317
Email: kang.weiling@the-ascott.com

Media Contact

Joan Tan
Vice President
Group Communications
Tel: (65) 6713 2864 / HP: (65) 9743 9503
Email: joan.tanzm@capitaland.com

Annex

Quest Macquarie Park Sydney

Strategically located within the Macquarie Park Business Centre with about 860,000 sqm of commercial net lettable area, Quest Macquarie Park Sydney is surrounded by a range of corporations in industries such as telecommunications, technology, pharmaceutical and electronics. It is near the Macquarie Park Train Station, which is part of the Sydney Metro North



A Member of CapitaLand

Ascott Residence Trust Management Limited
(Manager of Ascott Real Estate Investment Trust) (Regn No.: 200516209Z)
Ascott Business Trust Management Pte. Ltd.
(Trustee-Manager of Ascott Business Trust) (Regn No.: 201925299R)
168 Robinson Road #30-01 Capital Tower Singapore 068912
t (65) 6713 2888
www.ascottresidencetrust.com

West Line connecting Macquarie Park to Sydney Central Business District. It is also a five-minute drive to Macquarie University, Macquarie University Hospital and Macquarie Centre, with easy access to key commercial centres. The operating 111-unit property offers facilities such as a gymnasium and conference facilities. It has a variety of studio, one-bedroom and two-bedroom apartments with a kitchen, ideal for guests on long stay.

