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(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 January 2006 (as amended))

ANNOUNCEMENT

TAX RULINGS IN RELATION TO THE S\$150,000,000 FIXED RATE PERPETUAL SECURITIES

Ascott Residence Trust Management Limited (the "**Manager**"), as manager of Ascott Residence Trust ("**Ascott REIT**"), refers to its announcements dated 17 October 2014 and 27 October 2014 relating to the issue of S\$150,000,000 fixed rate perpetual securities (the "**Securities**") by DBS Trustee Limited (in its capacity as trustee of Ascott REIT) (the "**Issuer**") and its offering circular dated 17 October 2014 (the "**Offering Circular**") issued in connection with the offering of the Securities.

The Manager wishes to announce that the first distribution payment on the Securities shall be made on 27 April 2015.

Subject to the terms and conditions of the Securities, distributions at the rate of 5.0 per cent. per annum will be payable semi-annually in arrears on 27 April and 27 October of each year, with the first distribution rate reset falling on 27 October 2019 and subsequent resets occurring every five years thereafter.

Based on the tax ruling obtained from the Inland Revenue Authority of Singapore (“IRAS”):

- (a) for the purposes of Singapore income tax, the Securities issued are equity in nature and accordingly distributions to holders of the Securities (the “Holders”) are regarded as distributions;
- (b) the distributions on the Securities will be regarded as “return of capital” in the hands of the Holders for Singapore income tax purposes; and
- (c) in accordance with section 35(15A) of the Income Tax Act, Chapter 134 of Singapore, the cost of the Securities will be reduced by the amount of “return of capital” which the Holders are entitled to. For Holders who are traders in investments, any excess of the return of capital over the cost of the Securities will be subject to Singapore income tax as trading income of the Holders. The proceeds from all subsequent redemptions of the Securities will also be fully taxable in the hands of the Holders.

Such Distributions will not be subject to withholding of Singapore tax, irrespective of the profile of the Holder.

The tax rulings obtained from the IRAS are based on facts presented to the IRAS and on the IRAS’ current interpretation and application of the existing tax law. The tax rulings shall automatically not apply if there was a material omission or misrepresentation in or in connection with the application for the ruling. The tax rulings shall also automatically not apply from the date of any future changes in the tax laws that may have a direct impact on the tax rulings or from the date of withdrawal of the tax rulings pursuant to any future change in the interpretation of any of the tax laws which affects the tax rulings.

Holders are advised to consult their own tax advisers on the tax consequences that may be applicable to them, in Singapore or in their own tax jurisdiction.

By Order of the Board
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As manager of Ascott Residence Trust

Kang Siew Fong / Regina Tan
Joint Company Secretaries
24 April 2015

IMPORTANT NOTICE

The value of units in Ascott Residence Trust (“**Units**”) 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, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Ascott REIT is not necessarily indicative of the future performance of Ascott REIT.