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ASCOTT RESIDENCE TRUST

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

ANNOUNCEMENT

USE OF PROCEEDS FROM RIGHTS ISSUE

Further to its announcement dated 13 April 2017 in relation to the use of proceeds from the underwritten and renounceable rights issue of 481,688,010 new units in Ascott Residence Trust ("**Ascott REIT**") (the "**Rights Issue**"), Ascott Residence Trust Management Limited, as manager of Ascott REIT (the "**Manager**"), wishes to announce that approximately S\$130.7 million (which is equivalent to 29.5% of the gross proceeds from the Rights Issue) of the gross proceeds from the Rights Issue of approximately S\$442.7 million has been utilised to repay outstanding borrowings, pending the deployment of such funds for their intended use.

The Launch Announcement states that pending deployment, the net proceeds from the Rights Issue may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit. Save for the above, the use of proceeds is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the Rights Issue allocated to such use.

The Manager will make further announcements via SGXNET on the actual deployment of the net proceeds from the Rights Issue as disclosed in the Launch Announcement.

BY ORDER OF THE BOARD

Ascott Residence Trust Management Limited

(Registration Number: 200516209Z)

As manager of Ascott Residence Trust

Karen Chan

Company Secretary

18 April 2017

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units 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. The past performance of Ascott REIT is not necessarily indicative of its future performance.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders 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.

This announcement may contain forward-looking statements that involve risks and uncertainties. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.