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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

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

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Ascott Residence Trust Management Limited, as manager of Ascott Residence Trust ("**Ascott REIT**", and the manager of Ascott REIT, the "**Manager**"), refers to its earlier announcements dated 26 August 2019 and 4 September 2019 relating to the issue of S\$150.0 million fixed rate perpetual securities (the "**Securities**") by DBS Trustee Limited (in its capacity as trustee of Ascott REIT) and its offering circular dated 26 August 2019 issued in connection with the offering of the Securities.

Based on a tax ruling received from the Inland Revenue Authority of Singapore ("**IRAS**"):

- (a) for the purposes of Singapore income tax, the Securities issued are regarded as "debt securities" for the purpose of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations ("**QDS Regulations**");

- (b) the distributions (including optional distributions) on the Securities will be regarded as interest expenses;
- (c) holders of the Securities (the "**Holders**") may be granted tax exemption and concession available for qualifying debt securities ("**QDS**") on the distributions (including the optional distributions) on the Securities, provided that all the governing conditions under the QDS Regulations, Section 43N and Section 13(16) of the ITA for QDS are met; and
- (d) Ascott REIT may be granted tax deduction under Section 14(1)(a) of the ITA on the distributions (including the optional distributions) on the Securities, provided that:
  - (i) such distributions (including the optional distributions) are incurred by Ascott REIT on capital (raised through the issuance of the Securities) employed in acquiring the income of Ascott REIT that is chargeable to tax; and
  - (ii) the requirements under Section 14 of the ITA are satisfied and the deduction is not prohibited under any other provisions of the ITA.

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 laws.

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

Karen Chan  
Company Secretary  
12 December 2019

#### **IMPORTANT NOTICE**

The value of units in Ascott Residence Trust ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, as manager of Ascott Residence Trust (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 Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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

