(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 the announcements dated 18 December 2013, 30 December 2013 and 3 March 2014 in relation to the use of the proceeds from the underwritten and renounceable rights issue (the "**Rights Issue**") of 253,749,218 new units in Ascott Residence Trust ("**Ascott REIT**"), Ascott Residence Trust Management Limited, as manager of Ascott REIT (the "**Manager**"), wishes to announce that S$14.3 million (which is equivalent to 5.6% of the gross proceeds of the Rights Issue of approximately S$253.7 million (the "**Gross Proceeds**")) has been used to repay borrowings from revolving credit facilities advanced to Ascott REIT.

In addition, pending the deployment of the proceeds of the Rights Issue to fund capital expenditure and asset enhancement initiatives, for efficient capital management purposes, approximately S$28.3 million (which is equivalent to 11.2% of the Gross Proceeds) has been used to repay borrowings from revolving credit facilities advanced to Ascott REIT.

The use of proceeds from the Rights Issue as described above is in accordance with the use of proceeds and the percentage allocated as previously disclosed in Ascott REIT's announcement dated 4 November 2013 in relation to the Rights Issue.

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
14 May 2014

IMPORTANT NOTICE

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

The value of 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.