

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, EUROPEAN UNION, EUROPEAN ECONOMIC AREA, CANADA OR JAPAN.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States, European Union, European Economic Area, Canada or Japan. This announcement is not an offer of securities for sale in the United States, European Union, European Economic Area Canada or Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. Any public offering of securities made in the United States would be made by means of a prospectus that would contain detailed information about the Manager (as defined herein) and Ascott REIT (as defined herein), as well as financial statements. There will be no public offering of securities in the United States.



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 announcements dated 13 April 2017 and 18 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 part of the gross proceeds from the Rights Issue of approximately S\$442.7 million has been utilised as follows:

- (a) approximately S\$56.0 million (which is equivalent to 12.6% of the gross proceeds from the Rights Issue) has been used to part finance the acquisition of two serviced residence properties in Germany; and
- (b) approximately S\$1.3 million (which is equivalent to 0.3% of the gross proceeds from the Rights Issue) has been used 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

2 May 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.