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

ANNOUNCEMENT

ISSUE OF S\$150,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF FIXED RATE PERPETUAL SECURITIES

Ascott Residence Trust Management Limited (the "**Manager**"), as manager of Ascott Residence Trust ("**Ascott REIT**"), wishes to announce the pricing of S\$150 million in aggregate principal amount of fixed rate perpetual securities (the "**Securities**"). The Securities will be issued through DBS Trustee Limited (in its capacity as trustee of Ascott REIT) (the "**Issuer**").

DBS Bank Ltd. and J.P. Morgan (S.E.A.) Limited have been appointed as joint lead managers and joint bookrunners for the issue of the Securities.

Any issue of the Securities would be made in reliance on exemptions invoked under Sections 274 and/or 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") or an applicable exemption under the SFA. Approval in-principle has been obtained from the Singapore

Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Securities (if issued) on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries or associated companies or the Securities.

Ascott REIT has been assigned a "Baa3" corporate family investment grade rating by Moody's Investors Service Limited. The Securities will be unrated.

The net proceeds arising from the issue of the Securities (after the deduction of underwriting commissions, fees and expenses in connection with the issue) will be used by Ascott REIT for potential acquisition(s) and general corporate funding purposes, including the funding of working capital and/or repayment of debts.

The Securities, which will be issued in the denomination of S\$250,000, will be perpetual and will confer a right to receive distribution payments at a rate of 5.0 per cent. per annum with the first distribution rate reset falling on 27 October 2019 and subsequent resets occurring every five years thereafter. The distribution will be payable semi-annually in arrear on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Securities (the "**Conditions**"). The Securities will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the Conditions). Subject to the insolvency laws of Singapore and other applicable laws, the payment obligations of the Issuer under the Securities will at all times rank ahead of the holders of Junior Obligations (as defined in the Conditions) of Ascott REIT, but junior to the claims of all other present and future creditors of Ascott REIT (other than Parity Obligations of the Issuer). The Securities may be redeemed at the option of the Issuer in whole, but not in part, on 27 October 2019 or any Distribution Payment Date (as defined in the Conditions) thereafter and otherwise upon the occurrence of certain redemption events specified in the Conditions.

The Securities are expected to be issued on or around 27 October 2014, subject to satisfaction of customary closing conditions.

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

17 October 2014

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.