

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

Offer Information Statement dated 14 March 2017

(Lodged with the Monetary Authority of Singapore on 14 March 2017)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

The collective investment scheme offered in this Offer Information Statement is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A copy of this Offer Information Statement, together with the application form for the new units in Ascott Residence Trust (“**Ascott REIT**”) to be issued for the purpose of the Rights Issue (as defined herein) (“**Rights Units**”) and Excess Rights Units (as defined herein) (“**ARE**”) and the application form and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements (as defined herein) (“**ARS**”) under the Rights Issue traded on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) under the book-entry (scripless) settlement system, has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, units in Ascott REIT (“**Units**”), Ascott Residence Trust Management Limited, as manager of Ascott REIT (the “**Manager**”), Ascott REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement. No Units shall be allotted or allocated on the basis of this Offer Information Statement later than the date falling six months from the date of lodgement of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights Units and the “nil-paid” provisional allotment of Rights Units to Eligible Unitholders (as defined herein) under the Rights Issue (the “**Rights Entitlements**”) or make an offer of the Rights Units and the Rights Entitlements and the Rights Units and Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The Rights Units and Rights Entitlements have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state or other jurisdiction of the United States (“**U.S.**”) and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and Rights Entitlements may only be offered, sold, pledged, taken up, exercised, resold, transferred or delivered (as applicable), directly or indirectly in the U.S. in transactions exempt from the registration requirements of the Securities Act, to qualified institutional buyers (as defined in Rule 144A under the Securities Act) (“**QIBs**”) who have provided to the Manager (and which the Manager has accepted) a signed investor representation letter in the form attached hereto as **Appendix B** of this Offer Information Statement. The Rights Units and Rights Entitlements are being offered and sold outside the U.S. in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. Please refer to the section entitled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.



A Member of CapitaLand

ASCOTT RESIDENCE TRUST

(a unit trust constituted on 19 January 2006 under the laws of the Republic of Singapore)

MANAGED BY

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

RENOUNCEABLE RIGHTS ISSUE (THE “RIGHTS ISSUE”) OF 481,688,010 RIGHTS UNITS AT AN ISSUE PRICE OF S\$0.919 FOR EACH RIGHTS UNIT (THE “ISSUE PRICE”), ON THE BASIS OF 29 RIGHTS UNITS FOR EVERY 100 EXISTING UNITS (THE “RIGHTS RATIO”) HELD BY ELIGIBLE UNITHOLDERS AS AT 14 MARCH 2017 AT 5.00 P.M. (THE “RIGHTS ISSUE BOOKS CLOSURE DATE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Joint Lead Managers and Underwriters for the Rights Issue



BNP PARIBAS



DBS

IMPORTANT DATES AND TIMES

(The following is qualified by, and should be read in conjunction with, the section entitled “Timetable of Key Events” of this Offer Information Statement)

Last date and time for trading of Rights Entitlements	: 27 March 2017 at 5.00 p.m.
Last date and time for acceptance of Rights Entitlements and payment for Rights Units	: 31 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for application and payment for Excess Rights Units	: 31 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of Ascott REIT, the Manager, DBS Trustee Limited, as trustee of Ascott REIT (the “**Trustee**”) or BNP Paribas, acting through its Singapore branch and DBS Bank Ltd., as joint lead managers and underwriters for the Rights Issue (collectively the “**Joint Lead Managers and Underwriters**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of Ascott REIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of Ascott REIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET¹, and if required, lodge a supplementary or replacement document with the Authority. All holders of Units (“**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Unitholders, acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited (“**CDP**”) or through an automated teller machine (“**ATM**”) of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (each a “**Participating Bank**”) in accordance with the terms and conditions of this Offer Information Statement (“**Electronic Application**”).

Central Provident Fund (“CPF”) Investment Scheme (“CPFIS”) investors, Supplementary Retirement Scheme (“SRS”) investors and investors who hold Units through a finance company and/or Depository Agent (as defined herein) should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors Who Hold Units Through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details relating to the offer procedure for them.

This Offer Information Statement, the ARE and the ARS may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to Ascott REIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and the Manager and the Trustee expressly reserve the right to determine in their sole discretion whether to comply with any such applicable rules and regulations for the Rights Units to be offered and sold in such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

The Manager, the Trustee, the Joint Lead Managers and Underwriters and each of their respective officers and employees make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the Rights Entitlements, the Units, the Manager or Ascott

¹ An internet-based corporate announcement submission system maintained by the SGX-ST.

REIT and/or its subsidiaries, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units or to purchase the Rights Entitlements. Prospective subscribers of Rights Units and purchasers of Rights Entitlements should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of Ascott REIT, including but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors and prospects of Ascott REIT, and their own appraisal and determination of the merits of investing in Ascott REIT. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to subscribe for or purchase the Rights Units or the Rights Entitlements.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements are being offered and sold in offshore transactions (as defined under Regulation S) in reliance on Regulation S and within the U.S. to a limited number of Eligible QIBs (as defined herein) in reliance on one or more exemptions from the registration requirements of the Securities Act. The distribution of this Offer Information Statement and the placement of the Rights Units in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Offer Information Statement and/or its accompanying documents are required by the Manager and the Joint Lead Managers and Underwriters to inform themselves of, and observe, any such prohibitions and restrictions. Please refer to the section entitled "Offering, Selling and Transfer Restrictions" of this Offer Information Statement.

Selected financial data from the audited financial statements of Ascott REIT for the financial year ended 31 December 2014 ("**FY2014**", and the audited financial statements of Ascott REIT for FY2014, the "**2014 Audited Financial Statements**"), the audited financial statements of Ascott REIT for the financial year ended 31 December 2015 ("**FY2015**", and the audited financial statements of Ascott REIT for FY2015, the "**2015 Audited Financial Statements**") and the audited financial statements of Ascott REIT for the financial year ended 31 December 2016 ("**FY2016**", and the audited financial statements of Ascott REIT for FY2016, the "**2016 Audited Financial Statements**") (collectively, the "**Financial Statements**"), is set out in **Appendix A** of this Offer Information Statement. Financial data relating to distribution per Unit ("**DPU**"), earnings per Unit and NAV (as defined herein) per Unit before and after any adjustment to reflect the AOS Acquisition and the German Acquisitions (each, as defined herein) and the issue of Rights Units is also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Ascott REIT at <http://www.ascottreit.com> and are also available for inspection during normal business hours at the registered office of the Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained on the website of Ascott REIT does not constitute part of this Offer Information Statement.

Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes, where applicable) before making any investment decision in relation to the Rights Units and the Rights Entitlements.

¹ Prior appointment with the Manager will be appreciated.

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. None of the Manager or any of its affiliates guarantees the performance of Ascott REIT or the repayment of capital from Ascott REIT, or any particular rate of return.

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 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.

Forward-Looking Statements

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by Ascott REIT or the directors of the Manager (**"Directors"**), its officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, "anticipate", "aim", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "predict", "probable", "project", "seek", "should", "will" and "would" or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the future financial position, operating results, business strategies, plans and future prospects of Ascott REIT and its subsidiaries (collectively, the **"Group"**) are forward-looking statements. The Manager, the Trustee and the Joint Lead Managers and Underwriters do not represent or warrant that the actual future performance, outcomes or results of Ascott REIT will be as discussed in those statements. These forward-looking statements, including but not limited to statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in property expenses and operating expenses, and governmental and public policy changes. Any prediction, projection or forecast on the economy or economic trends of the markets in which the Group operates is not necessarily indicative of the future or likely performance of the Group. (See the section entitled "Risk Factors" of this Offer Information Statement for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

Given the risks, uncertainties and other factors that may cause Ascott REIT's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, 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. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of Ascott REIT before deciding whether to subscribe for the Rights Units and/or apply for Excess Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

This Offer Information Statement includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information.

Pro Forma Financial Information

The pro forma financial information contained in this Offer Information Statement (including the pro forma DPU yields) is based on historical statements reconstituted on a pro forma basis based on numerous assumptions and adjustments (as set out in the section entitled “Pro Forma Financial Information” of this Offer Information Statement) and is not necessarily indicative of the total returns and cash flows or financial position of Ascott REIT that would have been attained and had the completion of the AOS Acquisition, the German Acquisitions and/or Rights Issue and the entering into of the AOS Master Lease and the German Master Leases (each, as defined herein) actually occurred in the relevant periods. Such pro forma financial information, because of its nature, may not give a true or accurate picture of Ascott REIT’s actual total returns or financial position and the Manager, the Trustee and Joint Lead Managers and Underwriters do not represent or warrant that the actual outcome of the AOS Acquisition, the German Acquisitions, the AOS Master Lease, the German Master Leases or the Rights Issue at the relevant dates or periods would have been as presented.

Under no circumstances should the inclusion of such information be regarded as a representation, warranty or prediction that these results would have been achieved, will be achieved or are likely to be achieved. In particular, Unitholders should note that the pro forma DPU yields, which are prepared for illustrative purposes only, are calculated based on certain assumptions and assumed price per Unit (as set out in the section entitled “Pro Forma Financial Information” of this Offer Information Statement) and even if Unitholder had purchased the Units at the relevant assumed price per Unit, there is no guarantee that the actual or future yields would be as indicated.

**IMPORTANT NOTICE TO (A) CPFIS INVESTORS, (B) SRS INVESTORS AND
(C) INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY AND/OR
DEPOSITORY AGENT**

Unitholders who have subscribed for or purchased Units under the CPFIS, the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks, finance company and/or Depository Agent in which they hold their CPFIS accounts and/or SRS Accounts (as defined herein) to do so on their behalf in accordance with this Offer Information Statement.

ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units to their respective approved bank, finance company and/or Depository Agent.

(i) Use of CPF Funds

Unitholders participating under the CPFIS—Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Investible Savings (“**CPF Funds**”).

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

(ii) Use of SRS Funds

Unitholders who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on

their behalf by the Closing Date (as defined herein). Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Unit Registrar**”) and/or Ascott REIT will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of the Rights Units directly from the market.

(iii) Holdings through Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

ELIGIBLE UNITHOLDERS

Eligible Unitholders comprise Eligible Depositors and Eligible QIBs (“**Eligible Unitholders**”). “**Eligible Depositors**” are Unitholders with Units standing to the credit of their securities account with CDP (but do not include securities sub-accounts) (“**Securities Account**”) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days¹ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore. “**Eligible QIBs**” are QIBs (a) whose identities have been agreed upon by the Manager and the Joint Lead Managers and Underwriters, (b) who have each provided to the Manager a signed investor representation letter in the form attached hereto as **Appendix B** of this Offer Information Statement and (c) who are Eligible Depositors.

Eligible Unitholders will receive their Rights Entitlements under the Rights Issue on the basis of their unitholdings in Ascott REIT as at the Rights Issue Books Closure Date and are entitled to participate in the Rights Issue and to receive this Offer Information Statement (including the ARE and the ARS) at their respective Singapore addresses. Eligible Unitholders who do not receive this Offer Information Statement and the ARE and the ARS may obtain them from CDP for the period up to the Closing Date.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renouncees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, “**Excess Rights Units**”) will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders (as defined herein). Directors and Substantial Unitholders who have control or influence over Ascott REIT or the Manager in connection with the day-to-day affairs of Ascott REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors (“**Board**”), will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units.

All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Entitlements and for the applications for Excess Rights Units, including the different modes of acceptance and application and payment, are contained in **Appendix C**, in **Appendix D** of this Offer Information Statement and in the ARE and the ARS.

INELIGIBLE UNITHOLDERS

No Rights Entitlements will be provisionally allotted to Unitholders who are not Eligible Unitholders (“**Ineligible Unitholders**”) and no purported acceptance thereof or application for Excess Rights Units therefore by Ineligible Unitholders will be valid.

¹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

This Offer Information Statement and its accompanying documents (including the ARE and the ARS) will not be despatched to Ineligible Unitholders. This Offer Information Statement and its accompanying documents (including the ARE and the ARS) relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. Receipt of this Offer Information Statement and its accompanying documents or the crediting of Rights Entitlements to a securities account in CDP does not and will not constitute an offer in those jurisdictions in which it would be illegal and the Offer Information Statement and its accompanying documents should not be copied or redistributed.

The offer, sale and delivery of the Rights Units and the Rights Entitlements may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements will only be offered and sold (1) within the U.S. to a limited number of Eligible QIBs pursuant to one or more exemptions from the registration requirements of the Securities Act and (2) in offshore transactions in reliance on Regulation S.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing or to transferees of the Rights Entitlements, whose registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident. Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should ensure that they comply with the applicable rules, regulations and, subject to compliance with applicable laws and regulations, make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty. Notwithstanding the foregoing paragraphs, the Manager may in its sole discretion determine whether to allow the participation in the Rights Issue by Unitholders who are located, resident or with a registered address in other jurisdictions outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdictions.

Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account all expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager, may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters, CDP or the Central Provident Fund Board (“**CPF Board**”) or their respective officers in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deducting all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings as at the Rights Issue Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount of net proceeds to be distributed to any single Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of Ascott REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Joint Lead Managers and Underwriters, the Trustee or CDP in connection herewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of Ascott REIT and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters, CDP or CPF Board and their respective officers in connection therewith.

Unitholders should note that the special arrangement described above will apply only to Ineligible Unitholders.

OFFERING, SELLING AND TRANSFER RESTRICTIONS

GENERAL

Investors are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Rights Entitlements and the Rights Issue. No action has been taken or will be taken to permit a public offering of the Rights Units or the Rights Entitlements to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to Ascott REIT, the Rights Units or the Rights Entitlements in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority. Accordingly, the Rights Units or the Rights Entitlements may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Rights Units or the Rights Entitlements may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and the Manager and the Trustee expressly reserve the right to determine in their sole discretion whether to comply with any such applicable rules and regulations for the Rights Units to be offered and sold in such country or jurisdiction. Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Units, applying for excess Rights Units or making any offer, sale, resale, pledge or other transfer of the Rights Units or the Rights Entitlements.

This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

FOR INVESTORS IN THE UNITED STATES

The Rights Units and the Rights Entitlements have not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered (as applicable), directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. Neither receipt of this Offer Information Statement nor any of its accompanying documents constitutes an offer of the Rights Units or the Rights Entitlements to any Unitholder other than the Unitholder which has received this Offer Information Statement and its accompanying documents directly from the Manager.

The Rights Units and the Rights Entitlements have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Units or the Rights Entitlements or the accuracy or adequacy of this Offer Information Statement. Any representation to the contrary is a criminal offence in the U.S.

The Rights Units or the Rights Entitlements may only be acquired by persons in the U.S. who are Eligible QIBs pursuant to an exemption from the registration requirements of the Securities Act or in a transaction not subject to the registration requirements of the Securities Act. The Rights Units and the Rights Entitlements are being offered and sold outside the U.S. in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. Further, if you are in the U.S., you may not exercise any Rights Entitlements and/or acquire any Rights Units offered hereby unless you are an Eligible QIB and have been invited to participate directly by the Manager. In addition, in order to exercise your Rights Entitlements and/or acquire any Rights Units offered hereby, you must have completed, duly executed and delivered to the Manager (with a copy thereof to your Depository Agent (as defined herein), financial intermediary or nominee) prior to 31 March 2017 an Investor Representation Letter (which the Manager must have accepted), in the form attached as **Appendix B** of this Offer Information Statement.

Each person in the U.S. who accepts delivery of a copy of this Offer Information Statement shall be deemed to represent, warrant and agree that it is an Eligible QIB and have made each acknowledgement, representation, warranty and agreement in paragraphs 1 to 23 of the form of the Investor Representation Letter attached hereto as **Appendix B** of this Offer Information Statement. Any person in the U.S. who obtains a copy of this Offer Information Statement and who is not an Eligible QIB must disregard the contents of this Offer Information Statement.

Any envelope containing an ARE and/or an ARS which is post-marked from the United States will not be accepted unless the Manager has received and accepted a duly executed Investor Representation Letter in the form attached as **Appendix B** of this Offer Information Statement. Similarly, any ARE and/or ARS in which the exercising holder or subscribing applicant requests Rights Units to be credited to a Securities Account and gives an address in the United States will not be accepted. Any payment made in respect of any ARE and/or ARS that does not meet the foregoing criteria will be returned without interest.

Any person in the United States who obtains a copy of this Offer Information Statement or its accompanying documents and who has not been specifically invited by the Manager to participate or who is not an Eligible QIB is required to disregard it.

In addition, until 40 days after the commencement of the Rights Issue, an offer or sale of the Rights Units within the United States by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act if such offer or sale is made other than in accordance with an available exemption from registration.

U.S. Transfer Restrictions

The offering and delivery of the Rights Entitlements to, and the offering and acquisition of the Rights Entitlements or the Rights Units in the United States to and by certain persons reasonably believed to be Eligible QIBs is being made pursuant to an exemption from the registration requirements of the Securities Act. None of the Rights Entitlements or the Rights Units have been, or will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, the Rights Entitlements and the Rights Units may not be offered, sold, resold, allotted, taken up, exercised, pledged, or otherwise transferred or delivered (as applicable) except in offshore transactions in accordance with Rule 904 of Regulation S and in the United States in private transactions pursuant to an applicable exemption from or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Rights Units will be “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and subject to transfer restrictions as further described in *Risk factors—Risks Associated with the Rights Issue—Resales of the Rights Units and the Rights Entitlements in the U.S. are subject to restrictions* and the Investor Representation Letter in the form attached hereto as **Appendix B** of this Offer Information Statement.

Procedures for exercising and/or accepting the provisional allotments of Rights Entitlements by Eligible QIBs in the United States

If you are an Eligible QIB:

1. you may receive this Offer Information Statement and its accompanying documents from the Manager by completing and delivering to the Manager prior to 31 March 2017 a duly executed Investor Representation Letter in the form attached hereto as **Appendix B** of this Offer Information Statement;
2. you may exercise your Rights Entitlements, subscribe for Rights Units and apply for excess Rights Units instructing your Depository Agent, financial intermediary or nominee that you have been invited by the Manager to participate in this Rights Issue, and that the Depository Agent, financial intermediary or nominee should contact the Manager if such Depository Agent, financial intermediary or nominee wishes to confirm you have been invited to participate; and

3. in order to participate in the Rights Issue, you must forward to your Depository Agent, financial intermediary or nominee a copy of the properly completed and executed Investor Representation Letter you have previously delivered to the Manager prior to 31 March 2017 or at the time of such instruction to your Depository Agent, financial intermediary or nominee, as the case may be.

The Manager and its receiving agent have the discretion to refuse any ARE or ARS for the Rights Issue or other request to exercise the Rights Entitlements, subscribe for Rights Units or apply for excess Rights Units that is incomplete, unexecuted or not accompanied by any required documentation or that otherwise does not comply with the terms and conditions of the Rights Issue, including the receipt and acceptance by the Manager of an executed Investor Representation Letter in the form attached hereto as **Appendix B** of this Offer Information Statement.

FOR INVESTORS OUTSIDE THE UNITED STATES

Each purchaser of the Rights Entitlements and/or the Rights Units offered and sold outside the U.S. and in reliance on Regulation S will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Units is, outside the United States; and (ii) is acquiring the Rights Entitlements and/or the Rights Units in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights Entitlements and/or the Rights Units have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Manager, the Joint Lead Managers and Underwriters of the Rights Issue, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

This Offer Information Statement, the ARE or the ARS have not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Units which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Rights Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty. Notwithstanding the foregoing paragraphs, the Manager may in its sole discretion determine whether to allow the participation in the Rights Issue by Unitholders who are located, resident or with a registered address in other jurisdictions outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdictions.

The Manager and the Joint Lead Managers and Underwriters have not taken any action, nor will the Manager and the Joint Lead Managers and Underwriters take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights Entitlements and Rights Units, or the possession, circulation or distribution of this Offer Information Statement or any other material relating to Ascott REIT, the Manager, the Rights Entitlements or the Rights Units in any jurisdiction other than Singapore where action for that purpose is required.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Unitholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

CERTAIN DEFINED TERMS AND CONVENTIONS

Ascott REIT publishes its financial statements in Singapore dollars. In this Offer Information Statement, references to “S\$”, “Singapore dollar” or “Singapore cent” are to the lawful currency of the Republic of Singapore, references to “€” or “Euro” are to the lawful currency of the European Union, references to “£” or “Pound Sterling” or “GBP” are to the lawful currency of Great Britain and references to “¥,” “Japanese Yen” or “Yen” are to the lawful currency of Japan. All references to dates and times are to Singapore dates and times.

Capitalised terms used in this Offer Information Statement shall have the meanings set out in the Glossary on pages 63 to 71 of this Offer Information Statement.

This Offer Information Statement contains conversions of Euro, Pound Sterling and Japanese Yen amounts into Singapore dollar. Unless otherwise indicated, Euro, Pound Sterling and Japanese Yen amounts in this Offer Information Statement have been translated into Singapore dollar, based on the exchange rate of €1.00 = S\$1.4861, £1.00 = S\$1.77418 and ¥1.00 = S\$0.01249 respectively. None of the foreign currency conversion rates used to present or derive information in this Offer Information Statement should be construed as representations that Euro, Pound Sterling and Japanese Yen amounts have been, would have been or could be converted into Singapore dollar at those rates or any other rate, at any particular rate or at all.

References of “Appendix” or “Appendices” are to the appendices set out in this Offer Information Statement.

CORPORATE INFORMATION

Directors of the Manager	: Mr Tan Beng Hai (Chairman and Non-Executive Independent Director) Mr Lim Ming Yan (Deputy Chairman and Non-Executive Non-Independent Director) Mr (TA) Tay Boon Hwee (Chief Executive Officer and Executive Non-Independent Director) Mr Zulkifli Bin Baharudin (Non-Executive Independent Director) Mr Sim Juat Quee Michael Gabriel (Non-Executive Independent Director) Ms Elaine Carole Young (Non-Executive Independent Director) Mr Lee Chee Koon (Non-Executive Non-Independent Director)
Registered office of the Manager	: 168 Robinson Road #30-01 Capital Tower Singapore 068912
Trustee of Ascott REIT	: DBS Trustee Limited (in its capacity as trustee of Ascott REIT) 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982
Joint Lead Managers and Underwriters	: BNP Paribas, acting through its Singapore branch 20 Collyer Quay #01-01 Singapore 049319 DBS Bank Ltd. 12 Marina Boulevard, Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser for the Rights Issue and to the Manager	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Joint Lead Managers and Underwriters	: Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Unit Registrar and Unit Transfer Office	: Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

Independent Valuers

: Cushman & Wakefield VHS Pte. Ltd.
3 Church Street #09-03
Samsung Hub
Singapore 049483
(appointed by the Trustee in relation to the valuation of
the German Properties)

CBRE Pte. Ltd.
6 Battery Road #32-01
Singapore 049909
(appointed by the Manager in relation to the valuation of
the German Properties)

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SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Offer Information Statement. Meanings of defined terms may be found in the section entitled "Glossary" of this Offer Information Statement.

1. Overview of Ascott REIT

Ascott REIT is a serviced residence real estate investment trust, established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used, or predominantly used, as serviced residences, rental housing properties and other hospitality assets in any country.

Comprising an initial asset portfolio of 12 strategically located properties with 2,068 Apartment Units¹ in five countries in the Pan-Asian Region², Ascott REIT was listed on the SGX-ST in March 2006 with an initial asset size of about S\$856.0 million. As at 31 December 2016, Ascott REIT's portfolio (the "**Existing Portfolio**") has grown more than five times in size to reach S\$4.8 billion, comprising 90 properties with 11,627 Apartment Units in 38 cities across 14 countries in Asia Pacific, Europe and the United States. Ascott REIT has been assigned a Baa3 issuer grade rating by Moody's Investors Service.

Ascott REIT has successfully transformed into a global platform through a series of acquisitions since its listing in 2006 with total assets growing at a compounded annual growth rate of 16% since listing. Over the last decade, Ascott REIT has consistently demonstrated its ability to identify, execute and complete acquisition opportunities across the world, adding 89 properties and expanding its footprint beyond the Pan-Asian Region to Europe and the United States, making it the most geographically diversified and largest hospitality REIT listing on SGX-ST by asset size and market capitalisation.

Ascott REIT is managed by Ascott Residence Trust Management Limited, a wholly owned subsidiary of The Ascott Limited ("**TAL**") and an indirect wholly owned subsidiary of CapitaLand Limited ("**CL**"), one of Asia's largest real estate companies. TAL holds, directly and indirectly through its subsidiaries, an aggregate interest in 733,514,003 Units representing approximately 44.16% of the issued Units as at the Latest Practicable Date. Ascott REIT was awarded 'Best REIT (Asia)' by World Finance magazine at its Real Estate Awards in 2015.

2. Overview of the AOS Acquisition and the German Acquisitions

Ascott Orchard Singapore

The Trustee had on 9 July 2012 entered into a conditional put and call option agreement with affiliates of TAL to divest Ascott REIT's 100.0% interest in a mixed development property (which includes the serviced residence units) on lot number 918K of Town Subdivision 27, at the address of 15 Cairnhill Road, Singapore 229650, then known as Somerset Grand Cairnhill (the "**Divestment**"). Following the Divestment, it was expected that the site on which Somerset Grand Cairnhill was located was to be redeveloped into an integrated development (the "**Cairnhill Development**") which would include, among other components, a new serviced residence with a hotel licence, now known as Ascott Orchard Singapore ("**Ascott Orchard Singapore**" or "**AOS**") and residential units for sale.

¹ "**Apartment Unit**" means an available apartment unit for lease or licence, as the case may be, in the Properties (as defined herein).

² "**Pan-Asian Region**" means, in the context of this Offer Information Statement, all countries in Asia and the Asia-Pacific region.

At the extraordinary general meeting of Ascott REIT held on 27 July 2012, the Manager had obtained the approval of Unitholders in respect of, *inter alia*, the Divestment, the proposed acquisition of Ascott Orchard Singapore from the AOS Vendor (as defined below) (the “**AOS Acquisition**”) upon completion of the Divestment and AOS Master Lease Agreement (as defined herein).

The Trustee had on 23 December 2013 entered into a sale and purchase agreement with CH Commercial Pte. Ltd. and CH Residential Pte. Ltd. (collectively, the “**AOS Vendor**”), each of which is an affiliate of TAL, for the purchase of Ascott Orchard Singapore (the “**SPA**”) at a purchase consideration of S\$405.0 million (the “**Purchase Consideration**”). 5.0% of the Purchase Consideration was paid upon satisfaction of the conditions set forth in the put and call option agreement and execution of the share purchase agreement on 23 December 2013.

It is expected that the AOS Vendor will deliver possession of Ascott Orchard Singapore to Ascott REIT by October 2017. Legal completion of the AOS Acquisition is expected to take place once the Subsidiary Strata Certificates of Title are issued to all units of the Cairnhill Development in 2017 (“**Completion**”). Ascott REIT will pay the AOS Vendor 64.0% of the Purchase Consideration when possession of Ascott Orchard Singapore is delivered and the remaining 31.0% of the Purchase Consideration is payable upon Completion.

Upon the delivery of Ascott Orchard Singapore, the Trustee will enter into a master lease agreement with TAL and/or its subsidiary (the “**AOS Master Lessee**”) in respect of Ascott Orchard Singapore (the “**Master Lease**”, and the agreement in relation to the Master Lease, the “**AOS Master Lease Agreement**”).

The principal terms of the AOS Master Lease Agreement include, among others, the following:

- (i) The term of the lease will be for a minimum of five years, renewable for another five years upon mutual agreement of the parties.
- (ii) The rent payable to the Trustee will be the aggregate of (i) a fixed lease rental component amounting to S\$13,162,500.00 per annum, payable in advance on the first day of each month and (ii) a variable lease rental component amounting to 85.0% of net operating income, calculated as the gross operating profit¹ less the fixed lease rental of Ascott Orchard Singapore (“**NOI**”), payable in arrears on a quarterly basis (which shall be subject to adjustment after the final audit of the NOI).

(See the section entitled “Information Relating to the Acquisitions” of this Offer Information Statement for further details relating to the AOS Acquisition and the AOS Master Lease.)

German Properties

The Manager has identified the following serviced residence properties in Germany (the “**German Properties**”) as being suitable for acquisition by Ascott REIT (the “**German Acquisitions**”, and together with the AOS Acquisition, the “**Acquisitions**”):

- (i) an effective interest of 93% in Citadines Michel Hamburg, a serviced residence property located at Ludwig-Erhard-Straße 7, 20459 Hamburg, Germany (the “**Citadines Michel Hamburg Property**”) from Ascott Holdings (Europe) N.V. (the “**German Vendor**”) (an indirect wholly owned subsidiary of The Ascott Holdings Limited (“**TAHL**”)) through the

¹ In relation to the property and in relation to any fiscal year or any part thereof and shall be calculated in accordance with the Financial Reporting Standards in Singapore and Income After Undistributed Operating Expenses as defined in the Uniform System of Accounts for the Lodging Industry, 10th Revised Edition or any subsequent revisions thereto.

acquisition of 94% of the issued shares in Citadines Investments B.V.¹ for an aggregate purchase consideration of €29.7 million² (equivalent to approximately S\$44.1 million), subject to adjustment as at completion; and

- (ii) an effective interest of 93% in Citadines City Centre Frankfurt, a serviced residence property located at Europa-Allee 23, 60327 Frankfurt am Main, Germany (the **"Citadines City Centre Frankfurt Property"**) from the German Vendor through the acquisition of 94% of the issued shares in Citadines (Netherlands) B.V.³ for an aggregate purchase consideration of €35.7 million⁴ (equivalent to approximately S\$53.1 million), subject to adjustment as at completion.

The appraised value⁵ of the Citadines Michel Hamburg Property is €31.3 million (equivalent to S\$46.5 million) and the appraised value of the Citadines City Centre Frankfurt Property is €37.7 million (equivalent to S\$56.0 million).

(See the section entitled "Principal Terms of the German Sale and Purchase Agreements" of this Offer Information Statement for further details.)

The German Acquisition is pursuant to the two conditional sale and purchase agreements entered into between The Ascott (Europe) N.V. (the **"German Purchaser"**) and the German Vendor on 6 March 2017 in relation to the Citadines Michel Hamburg Property (the **"Hamburg SPA"**) and the Citadines City Centre Frankfurt Property (the **"Frankfurt SPA"**).

Upon the completion of the German Acquisitions, Citadines Hamburg Michel GmbH & Co., KG and Citadines Europaviertel (Frankfurt) GmbH & Co., KG (the **"German Property Holding Companies"**) shall enter into separate German master lease agreements (the **"German Master Lease Agreements"**) with Citadines Betriebs GmbH and Citadines Betriebs (Frankfurt) GmbH respectively, both indirect wholly owned subsidiaries of TAHL, pursuant to which the relevant German Property Holding Company shall grant master leases over each of the German Properties (the **"German Master Lease"**) to the respective German Master Lessee⁶ for a term of 15 years, commencing from the date of completion of the German Acquisitions with an option to renew for a further term of five years at the option of the German Master Lessee. The rental payable under each of the German Master Lease Agreements for the German Properties is as follows:

- Citadines Michel Hamburg Property: Fixed Lease Rental⁷ of €1.7 million per annum. The lease rental will be revised commencing from the second full operating year of the term based on the change in the consumer price indices published by the Federal Statistical

¹ The remaining 6% of Citadines Investments B.V. is held by the Vendor. Citadines Investments B.V. holds 99% of Citadines Hamburg Michel GmbH & Co., KG, which in turn holds the Citadines Michel Hamburg Property. The remaining 1% of Citadines Hamburg Michel GmbH & Co., KG is held by an unrelated third party.

² Taking into account 93% of the agreed property value of the Citadines Michel Hamburg Property of €31.2 million (equivalent to approximately S\$46.4 million).

³ The remaining 6% of Citadines (Netherlands) B.V. is held by the Vendor. Citadines (Netherlands) B.V. holds 99% of Citadines Europaviertel (Frankfurt) GmbH & Co., KG, which in turn holds the Citadines City Centre Frankfurt Property. The remaining 1% of Citadines Europaviertel (Frankfurt) GmbH & Co., KG is held by an unrelated third party.

⁴ Taking into account 93% of the agreed property value of the Citadines City Centre Frankfurt Property of €37.4 million (equivalent to approximately S\$55.6 million).

⁵ Based on the average of two independent valuations by Cushman & Wakefield VHS Pte. Ltd. (appointed by the Trustee) and CBRE Pte. Ltd. (appointed by the Manager) as at 15 January 2017, in relation to the German Properties (the **"Independent Valuers"**).

⁶ Being Citadines Betriebs GmbH, an indirect wholly owned subsidiary of TAHL in the case of the Citadines Michel Hamburg Property and Citadines Betriebs (Frankfurt) GmbH, an indirect wholly owned subsidiary of TAHL in the case of the Citadines City Centre Frankfurt Property.

⁷ **"Fixed Lease Rental"** means the fixed lease rental amount as set out in the German Master Lease Agreements.

Office of Germany as compared to the consumer price indices published at the last adjustment or the commencement of the term (for the first adjustment); and

- Citadines City Centre Frankfurt Property: Fixed Lease Rental of €2.0 million per annum. The lease rental will be revised commencing from the second full operating year of the term based on the change in the consumer price indices published by the Federal Statistical Office of Germany as compared to the consumer price indices published at the last adjustment or the commencement of the term (for the first adjustment).

Upon entry into the German Master Leases, TAL will enter into a guarantee (the “**TAL Guarantee**”) in favour of the Trustee under which TAL guarantees the payment of rent and other charges, fees and amounts under the German Master Leases during the lease term.

Each of the German Acquisitions (including the entry into the German Master Lease Agreements) constitutes an Interested Person Transaction under Chapter 9 of the Listing Manual. The Manager is separately seeking approval of the Unitholders for the German Acquisitions (including the entry into the German Master Lease Agreements) at an extraordinary general meeting (“**EGM**”) to be held on 19 April 2017.

(See the section entitled “Information Relating to the Acquisitions” of this Offer Information Statement for further details relating to the German Acquisitions and the German Master Leases.)

3. The Rights Issue

The Rights Issue comprises an offer of 481,688,010 Rights Units on a fully underwritten (excluding the number of Rights Units to be subscribed for pursuant to the TAL Irrevocable Undertaking (as defined herein)) and renounceable basis to Eligible Unitholders based on the Rights Ratio of 29 Rights Units for every 100 existing units in Ascott REIT (“**Existing Units**”) held as at the Rights Issue Books Closure Date (fractional entitlements to be disregarded), at the issue price of S\$0.919 per Rights Unit (“**Issue Price**”), to raise gross proceeds of approximately S\$442.7 million.

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Issue Price, which is at a discount of:

- approximately 21.5% to the closing price of S\$1.17 per unit in Ascott REIT (“**Unit**”) on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 6 March 2017, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”); and
- approximately 17.5% to the theoretical ex-rights price (“**TERP**”) of S\$1.114 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of Ascott REIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

The Rights Units will be issued pursuant to the general mandate (the “**General Mandate**”) that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 14 April 2016.

4. Rationale for the AOS Acquisition, the German Acquisitions and the Rights Issue

The Manager intends to use the gross proceeds from the Rights Issue to part fund the remaining purchase price¹ for the AOS Acquisition and part finance the German Acquisitions.

The Rights Issue would provide Unitholders with the opportunity to subscribe for their pro rata entitlement to the Rights Units at the Issue Price which is at a discount of (i) approximately 21.5% to the Closing Price of S\$1.17 per Unit and (ii) approximately 17.5% to the TERP of S\$1.114 per Unit. Eligible Unitholders who do not wish to subscribe for the Rights Units may choose to sell their Rights Entitlements during the “nil-paid” rights trading period to realise the value of their Rights Entitlements.

The Rights Issue will increase the number of Units in issue by 481,688,010 Units. The increase in the total number of Units in issue pursuant to the Rights Issue may improve the trading liquidity of the Units after the Rights Issue.

The Manager believes that the AOS Acquisition, the German Acquisitions and the Rights Issue will bring the following key benefits to Ascott REIT and its Unitholders:

- (i) *Ascott Orchard Singapore and the German Properties are quality assets strategically located in prime areas of Singapore and Germany respectively which appeal to both business and leisure market segments*

Apart from being a brand new property (the Somerset Grand Cairnhill Property was built in 1989), Ascott Orchard Singapore represents an increase in the number of Apartment Units (from 146 to 220), bringing the total number of Apartment Units close to 12,000, and a longer lease term (from 70 years to 99 years of which approximately 96 years is the remaining lease period) as compared to the Somerset Grand Cairnhill Property.

The AOS Acquisition² will allow Ascott REIT to retain a presence in the heart of Orchard Road, a major tourist attraction and retail and entertainment hub in Singapore. Ascott Orchard Singapore will be Ascott REIT's second Ascott branded property in Singapore, leveraging on the success of the iconic brand in the hospitality industry and strengthening the brand presence and reputation in Singapore. The German Acquisitions will present Ascott REIT with an opportunity to acquire good quality assets in established and steadily growing hospitality markets of Hamburg and Frankfurt while strengthening Ascott REIT's presence in Germany, where it currently owns three serviced residence properties.

- (ii) *Long term income stream through the AOS Master Lease Agreement and the German Master Lease Agreements*

The entry by Ascott REIT into the AOS Master Lease Agreement and the German Master Lease Agreements is expected to increase the income stability of Ascott REIT. The fixed rent lease payments provide certainty of income stream to Ascott REIT.

- (iii) *Enhanced attractiveness and diversification of Ascott REIT's portfolio*

The absolute size of Ascott REIT's asset base will increase from S\$4.8 billion to S\$5.3 billion, thereby raising Ascott REIT's profile among global investors. The

¹ Ascott REIT paid S\$20.25 million being the 5% deposit for the AOS Acquisition payable upon satisfaction of the conditions set forth in the put and call option agreement and execution of the sale and purchase agreement in relation to the AOS Acquisition on 23 December 2013.

² The AOS Acquisition has been approved by the Unitholders during the extraordinary general meeting of Ascott REIT held on 27 July 2012.

German Acquisitions will also increase diversification of Ascott REIT's portfolio by expanding into a new city in Germany, being Frankfurt, and will increase Ascott REIT's exposure to Germany from 2.6% to 4.4%.

(iv) *Provide opportunity for existing Unitholders to participate in equity fund raising*

The Rights Issue will provide Ascott REIT longer term capital financing from its existing Unitholders, offering them an opportunity to invest at a 17.5% discount vis-à-vis TERP and 21.5% discount vis-à-vis Closing Price as at 6 March 2017.

(v) *Enhanced financial flexibility from reduced gearing and increased debt headroom*

The Rights Issue is expected to enhance Ascott REIT's financial flexibility by reducing gearing from 39.8% to 37.0%, strengthening its position in the event of interest rate volatility, and will also increase the debt headroom to approximately S\$754.4 million, favourably positioning Ascott REIT to evaluate future acquisitions opportunities.

5. Use of Proceeds

For each dollar of the gross proceeds of approximately S\$442.7 million that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 86.2 cents (equivalent to approximately S\$381.6 million) will be used to part finance the remaining purchase price¹ for the AOS Acquisition;
- (ii) approximately 12.6 cents (equivalent to approximately S\$56.0 million) will be used to part finance the German Acquisitions;
- (iii) approximately 0.8 cents (equivalent to approximately S\$3.4 million) will be used to pay for the underwriting commission; and
- (iv) approximately 0.4 cents (equivalent to approximately S\$1.7 million) will be used to pay the estimated professional fees and expenses and other fees and expenses expected to be incurred in connection with the Rights Issue.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including potential acquisitions.

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 used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

Any increase in Ascott REIT's debt headroom, through a reduction of its existing borrowings, will enhance Ascott REIT's flexibility in pursuing potential acquisitions by increasing its ability to raise acquisition financing, uplift its competitive positioning in the market through various asset enhancement plans and strengthen its balance sheet in the event of interest rate volatility.

¹ Ascott REIT paid S\$20.25 million being the 5% deposit for the AOS Acquisition payable upon satisfaction of the conditions set forth in the put and call option agreement and execution of the sale and purchase agreement in relation to the AOS Acquisition on 23 December 2013.

The Manager will make periodic announcements on the utilisation of the proceeds from the Rights Issue as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual report of Ascott REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

6. Underwriting of the Rights Issue

Save for the Rights Units to be subscribed for pursuant to the TAL Irrevocable Undertaking, the Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters severally in equal proportions on the terms and subject to the conditions of a management and underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 6 March 2017 (the “**Management and Underwriting Agreement**”). The Joint Lead Managers and Underwriters will be entitled to an aggregate underwriting commission (excluding goods and services tax payable) of 1.3% of the Issue Price multiplied by the total number of Rights Units less the number of Rights Units subscribed for by TAL pursuant to the TAL Irrevocable Undertaking.

It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, but the Joint Lead Managers and Underwriters are not entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which ex-rights trading commences (being 10 March 2017) (in compliance with Rule 818 of the Listing Manual of the SGX-ST (the “**Listing Manual**”)).

7. Commitment of TAL

To demonstrate its support for Ascott REIT and the Rights Issue, TAL, which directly and through its wholly owned subsidiaries, the Manager and Somerset Capital Pte Ltd (“**SCPL**”), has interests in 733,514,003 Units (the “**TAL Initial Units**”) representing approximately 44.16% of the issued Units of 1,660,993,138 as at 6 March 2017, has, on 6 March 2017, provided an irrevocable undertaking (the “**TAL Irrevocable Undertaking**”) to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that:

- (i) as at the Rights Issue Books Closure Date, TAL and its subsidiaries will together have an interest (either actual or deemed) in not less than the number of TAL Initial Units credited to securities accounts with The Central Depository (Pte) Limited (the “**CDP**”) which are held in TAL’s name and in the name of the Manager and SCPL or, as the case may be, the nominees(s) or custodian(s) of such subsidiary/entity (the “**Relevant Entities**”) (each with registered addresses with CDP in Singapore);
- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Units (“**Closing Date**”), TAL will accept, procure that the Relevant Entities accept, and/or procure one or more of its existing subsidiaries and/or new subsidiaries set up by it to hold Units (together with the Relevant Entities, the “**Subscribing Entities**”), to subscribe and pay in full for, the Relevant Entities’ total provisional allotment of Rights Units;
- (iii) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, TAL will not, during the period commencing from the date of the announcement of the launch of the Rights Issue up to and including the date of the listing of the Rights Units, make any public statement or announcement regarding the Rights Issue, without first obtaining the prior written consent of the Manager and the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld or delayed); and

- (iv) save with the prior written consent of the Joint Lead Manager and Underwriters (such consent not to be unreasonably withheld or delayed) and subject to the terms and conditions in the TAL Irrevocable Undertaking, all the Units held and any Rights Units subscribed for by TAL and its subsidiaries will be subject to a lock-up arrangement during the period from the date of the TAL Irrevocable Undertaking to the date falling 60 days after the date on which the Rights Units are listed on the SGX-ST.

8. Status of the Rights Issue

Ascott REIT's current policy is to distribute its distributable income on a semi-annual basis to Unitholders. The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 January 2017 to 30 June 2017 as well as all distributions thereafter.

Eligible Unitholders who validly accept, in full, their provisional allotments of Rights Units in accordance with the terms of this Offer Information Statement, will receive such amount of the accrued distributions for the period from 1 January 2017 to 30 June 2017 which they would have been entitled to had the Rights Issue not occurred. Eligible Unitholders who decide not to accept in full their provisional allotments of Rights Units can, where applicable, make arrangements to trade their Rights Entitlements on the SGX-ST under the book-entry (scripless) settlement system.

For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate him fully for the dilution of his unitholding as a result of the Rights Issue. (See the section entitled "Eligibility of Unitholders to Participate in the Rights Issue—Ineligible Unitholders" of this Offer Information Statement.)

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following principal terms and conditions of the Rights Issue are derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and are qualified in their entirety by reference to information appearing elsewhere in this Offer Information Statement.

- | | |
|---------------------------------|--|
| Issue Size | : 481,688,010 Rights Units.

The Rights Issue is expected to raise gross proceeds of approximately S\$442.7 million. |
| Basis of Provisional Allotments | : Each Eligible Unitholder is entitled to subscribe for 29 Rights Units for every 100 existing Units standing to the credit of his Securities Account with CDP as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded. |
| Issue Price | : S\$0.919 per Rights Unit.

The Rights Units are payable in full upon acceptance and/or application. |
| Administrative Fee | : An administrative fee will be incurred by applicants for each Electronic Application made through the ATMs of the Participating Banks. |
| Status of Rights Units | : The Rights Units will, upon allotment and issue, rank <i>pari passu</i> in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 January 2017 to 30 June 2017 as well as all distributions thereafter.

Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) settlement system. The Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST under the book-entry (scripless) settlement system.

Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto. |
| Eligible Unitholders | : Eligible Unitholders comprise Eligible Depositors and Eligible QIBs. “ Eligible Depositors ” are Unitholders with Units standing to the credit of their securities account with CDP (but do not include securities sub-accounts) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days ¹ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore. “ Eligible QIBs ” are QIBs (a) whose identities have been agreed upon by the Manager and the Joint Lead Managers and Underwriters, (b) who have each provided to the Manager a signed investor representation letter in the form attached hereto as Appendix B of this Offer Information Statement and (c) who are Eligible Depositors. |

¹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

	<p>Eligible Unitholders are at liberty to accept in part or in full, decline renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.</p>
Eligibility to participate in the Rights Issue	: See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” of this Offer Information Statement for further details.
Rights Entitlements of Eligible Unitholders	<p>: Eligible Unitholders will receive their Rights Entitlements and are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units on 17 March 2017 from 9.00 a.m. up to the Closing Date as set out in the section entitled “Timetable of Key Events” of this Offer Information Statement.</p> <p>Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for the Rights Units.</p> <p>Each Eligible Unitholder may, among other things, choose to:</p> <ul style="list-style-type: none"> (i) accept all or a portion of his Rights Entitlements; (ii) renounce all or a portion of Rights Entitlements in favour of a third party; and/or (iii) trade all or a portion of his Rights Entitlements. <p>In addition, each Eligible Unitholder may also apply for Excess Rights Units.</p> <p>The procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders are set out in Appendix C and in Appendix D of this Offer Information Statement.</p>
Ineligible Unitholders	<p>: No provisional allotments of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application for Excess Rights Units thereof by Ineligible Unitholders will be valid.</p> <p>Ineligible Unitholders should refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue—Ineligible Unitholders” of this Offer Information Statement.</p>
Trading of the Rights Units / Rights Entitlements	: Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST can do so for the period commencing on 17 March 2017 from 9.00 a.m., being the date and time of commencement of the Rights Entitlements trading, and ending on 27 March 2017 at 5.00 p.m., being the last date and time of the Rights Entitlements trading.

The Rights Units and the Rights Entitlements will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units and Rights Entitlements will comprise 100 Units or Rights Entitlements (as the case may be). All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP.

Manner of Refund

- : When any acceptance of Rights Entitlements and/or excess Rights Units application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three business days after commencement of trading of the Rights Units by any one or a combination of the following:
 - (i) where the acceptance and/or application had been made through CDP, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution; and
 - (ii) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Manager’s and CDP’s obligations.

Trading of Odd Lots of Units

- : Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST’s Unit Share Market¹.

Underwriting

- : Save for the Rights Units to be subscribed for pursuant to the TAL Irrevocable Undertaking, the Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Management and Underwriting Agreement.

(See the sections entitled “Summary—Underwriting of the Rights Issue” and “Summary—Commitment of TAL” for further details.)

Listing of the Rights Units

- : Approval in-principle has been obtained from the SGX-ST on 6 March 2017 for the listing and quotation of, *inter alia*, the Rights Units on the Main Board of the SGX-ST subject to certain conditions being met.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, the Rights Entitlements, the Units, the Manager, Ascott REIT and/or its subsidiaries.

¹ “Unit Share Market” refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

Unitholders who are CPFIS investors, SRS investors or who hold Units through a finance company and/or Depository Agent

: CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS investors, (B) SRS Investors and (C) Investors who Hold Units Through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details.

Governing Law

: Laws of the Republic of Singapore.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, TRADED ON THE SGX-ST DURING THE RIGHTS ENTITLEMENTS TRADING PERIOD.

TIMETABLE OF KEY EVENTS

The timetable for the Rights Issue is set out below.

Event	Date and Time
Last day of “cum-rights” trading for the Rights Issue	: 9 March 2017
First day of “ex-rights” trading for the Rights Issue	: 10 March 2017
Rights Issue Books Closure Date	: 14 March 2017 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the application forms) to Eligible Unitholders	: 17 March 2017
Commencement of trading of Rights Entitlements	: 17 March 2017 from 9.00 a.m.
Last date and time of trading of Rights Entitlements	: 27 March 2017 at 5.00 p.m.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units ⁽¹⁾	: 31 March 2017 at 5.00 p.m. ⁽²⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Units ⁽¹⁾	: 31 March 2017 at 5.00 p.m. ⁽²⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renouncee ⁽¹⁾	: 31 March 2017 at 5.00 p.m. ⁽³⁾
Expected date of the issuance of the Rights Units	: 11 April 2017
Expected date for crediting of Rights Units	: 11 April 2017
Expected date for commencement of trading of Rights Units on the SGX-ST	: 11 April 2017 from 9.00 a.m.

Notes:

- (1) This does not apply to CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent. CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent” of this Offer Information Statement. Any application made by these investors directly through CDP or through ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective agent bank, approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective agent bank, approved bank, finance company and/or Depository Agent.
- (2) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.
- (3) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires at least three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for the renouncee to accept his Rights Entitlements and make payment for Rights Units.

The above timetable is indicative only and subject to change. The Manager may, in consultation with the Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via the SGXNET. However, as at the date of this Offer Information Statement, the Manager does not expect the above timetable to be modified.

RESULTS OF THE ALLOTMENT

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

CREDITING OF RIGHTS ENTITLEMENTS AND RIGHTS UNITS

The Rights Entitlements will be provisionally allotted to Eligible Unitholders on or about 17 March 2017, and the Rights Units will be credited on or about 11 April 2017.

In the case of Eligible Unitholders and their renouncees with valid acceptances, purchasers of the Rights Entitlements with valid acceptances and (where applicable) successful applications for Excess Rights Units, a notification letter representing such number of Rights Units will be sent by CDP within 10 Market Days after the Closing Date.

(Please refer to **Appendix C** of this Offer Information Statement for further details.)

OVERVIEW OF ASCOTT REIT

BACKGROUND OF ASCOTT REIT

Ascott REIT is a serviced residence real estate investment trust, established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used as serviced residences, rental housing properties and other hospitality assets in any country.

Comprising an initial asset portfolio of 12 strategically located properties with 2,068 Apartment Units in five countries in the Pan-Asian Region, Ascott REIT was listed on the SGX-ST in March 2006 with an initial asset size of about S\$856.0 million. As at 31 December 2016, the Existing Portfolio has grown more than five times in size to reach S\$4.8 billion, comprising 90 properties with 11,627 Apartment Units in 38 cities across 14 countries in Asia Pacific, Europe and the United States. Ascott REIT has been assigned a Baa3 issuer grade rating by Moody's Investors Service.

Ascott REIT has successfully transformed into a global platform through a series of acquisitions since its listing in 2006 with total assets growing at a compounded annual growth rate of 16% since listing. Over the last decade, Ascott REIT has consistently demonstrated its ability to identify, execute and complete acquisition opportunities across the world, adding 89 properties and expanding its footprint beyond the Pan-Asian Region to Europe and the United States, making it the most geographically diversified and largest hospitality REIT listing on SGX-ST by asset size and market capitalisation.

Ascott REIT is managed by Ascott Residence Trust Management Limited, a wholly owned subsidiary of TAL and an indirect wholly owned subsidiary of CL, one of Asia's largest real estate companies. TAL holds, directly and indirectly through its subsidiaries, an aggregate interest in 733,514,003 Units representing approximately 44.16% of the issued Units as at the Latest Practicable Date. Ascott REIT was awarded 'Best REIT (Asia)' by World Finance magazine at its Real Estate Awards in 2015.

GENERAL DEVELOPMENT OF ASCOTT REIT

The general development of the business of Ascott REIT from the beginning of the period comprising the three most recent completed financial years to 7 March 2017, being the latest practicable date prior to the lodgement of the Offer Information Statement (the "**Latest Practicable Date**"), is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of Ascott REIT since the release of Ascott REIT's financial results for the financial year ended 31 December 2016.

Date	Significant developments
2 January 2014	: The Manager announced a change in its registered address.
20 February 2014	: The Trustee entered into a sale and purchase agreement for the acquisition of a serviced residence located at 128-2 Jinma Road, Dalian Development Area, Dalian, the People's Republic of China for a purchase consideration of RMB468.3 million.
3 March 2014	: Utilisation of S\$42.2 million of the gross proceeds from the underwritten and renounceable rights issue launched on 4 November 2013 (" 2013 Rights Issue ") to repay borrowings from revolving credit facilities advanced to Ascott REIT.
21 March 2014	: Completion of the acquisition of Infini Garden, a rental housing property located at 3-2-2, 3, 4, 5 KashiiTeriha, Higashi-ku, Fukuoka city, Japan.
14 May 2014	: Utilisation of S\$14.3 million of the gross proceeds from the 2013 Rights Issue to repay borrowings from revolving credit facilities granted to Ascott REIT.

Date	Significant developments
20 June 2014	: Completion of the acquisition of a serviced residence located at 128-2 Jinma Road, Dalian Development Area, Dalian, the People's Republic of China.
7 July 2014	: The Trustee entered into various conditional sale and purchase agreements for the acquisitions of a serviced residence property in Malaysia, being Somerset Ampang Kuala Lumpur, and two serviced residence properties in China, being Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an (the "July 2014 Target Acquisitions") for an aggregate purchase consideration of S\$131.6 million.
31 July 2014	: The Manager convened an extraordinary general meeting of Unitholders to seek Unitholders' approval for the July 2014 Target Acquisitions. The resolution in respect of the July 2014 Target Acquisitions was approved.
15 August 2014	: Issuance of ¥7,000,000,000 (equivalent to S\$85,589,000 based on exchange rate of ¥1.00 = S\$0.012227) in principal amount of 1.654% Fixed Rate Notes due 15 August 2020 under the S\$1,000,000,000 Multicurrency Medium Term Note Programme established in September 2009.
18 August 2014	: Completion of the July 2014 Target Acquisitions.
16 October 2014	: Completion of the acquisition of Best Western Shinjuku Astina Hotel Tokyo, a hotel property located in Shinjuku-ku, Tokyo, Japan for a purchase consideration of JPY8 billion.
17 October 2014	: Pricing of S\$150.0 million in aggregate principal amount of fixed rate perpetual securities to be issued through the Trustee which confer a right to receive distribution payments at a rate of 5.0% per annum with the first distribution rate reset falling on 27 October 2019 and subsequent resets occurring every five years thereafter (the "S\$150 million Perpetual Securities").
23 October 2014	: Ascott REIT, through its indirect wholly owned subsidiaries, entered into sale and purchase agreements to acquire a portfolio of three serviced residence properties located in Greater Sydney, New South Wales, Australia, being Quest Sydney Olympic Park, Quest Mascot and Quest Campbelltown for an aggregate purchase consideration of AUD83.0 million.
27 October 2014	: Issuance of the S\$150 million Perpetual Securities.
31 October 2014	: Completion of the transfer of the beneficial interest of Best Western Shinjuku Astina Hotel Tokyo from Ascott REIT Six GK (a <i>godo kaisha</i> in Japan), a wholly owned subsidiary of Ascott REIT, to Ascott REIT Six TMK (a <i>tokutei mokuteki kaisha</i> in Japan), in which Ascott REIT holds 100% of the common voting shares.
10 December 2014	: Completion of the acquisition of three serviced residence properties located in Greater Sydney, New South Wales, Australia, being Quest Sydney Olympic Park, Quest Mascot and Quest Campbelltown.

Date	Significant developments
19 December 2014	: Issuance of €80,000,000 (equivalent to S\$129,208,000 based on an exchange rate of €1.00 = S\$1.6151) in principal amount of 10-year 2.75% Fixed Rate Notes due 19 December 2024 under its US\$2,000,000,000 Euro-Medium Term Note Programme established in November 2011.
23 April 2015	: The Manager announced the following changes to the composition of the Board with effect from 24 April 2015: <ul style="list-style-type: none"> (i) the appointment of Mr Tan Beng Hai as Non-Executive Independent Director and member of the Audit Committee of the Manager; (ii) the stepping down of Mr S. Chandra Das and Mr Giam Chin Toon @ Jeremy Giam as Non-Executive Independent Directors and members of the Audit Committee of the Manager; (iii) the appointment of Mr Zulkifli Bin Baharudin as member of the Audit Committee of the Manager; and (iv) the relinquishment of Mr Zulkifli Bin Baharudin as member of the Corporate Disclosure Committee of the Manager.
23 June 2015	: Pricing of S\$250.0 million in aggregate principal amount of fixed rate perpetual securities to be issued through the Trustee which confer a right to receive distribution payments at a rate of 4.68% per annum with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter (the “ S\$250 million Perpetual Securities ”).
25 June 2015	: The Trustee, directly and/or through its wholly owned subsidiaries, entered into various conditional sale and purchase agreements, to acquire three serviced residence properties in Australia and Japan, being Citadines on Bourke Melbourne, the remaining 40% interest in Citadines Shinjuku Tokyo and the remaining 40% interest in Citadines Karasuma-Gojo Kyoto, and four rental housing properties in Osaka, Japan (the “ June 2015 Target Acquisitions ”) for an aggregate purchase consideration of S\$246.0 million.
30 June 2015	: Issuance of the S\$250 million Perpetual Securities.
2 July 2015	: The Trustee, through its indirect wholly owned subsidiary, entered into a conditional sale and purchase agreement to acquire the hotel property known as Element New York Times Square West located in New York, United States for a purchase consideration of US\$163.5 million.
24 July 2015	: The Manager convened an extraordinary general meeting of Unitholders to seek Unitholders’ approval for, among other things, the June 2015 Target Acquisitions. The resolutions in respect of the June 2015 Target Acquisitions were approved.
29 July 2015	: Issuance of ¥7,300,000,000 (equivalent to S\$80,511,700 based on an exchange rate of ¥100 = S\$1.1029) in principal amount of 1.173% 7-year Fixed Rate Notes due 29 July 2022 under its S\$1,000,000,000 Multicurrency Medium Term Note Programme established in September 2009.

Date	Significant developments
31 July 2015	: Completion of the June 2015 Target Acquisitions.
20 August 2015	: Completion of the acquisition of the hotel property known as Element New York Times Square West located in New York, United States.
3 September 2015	: Ascott REIT, through its wholly owned subsidiary, entered into a conditional sale and purchase agreement to divest the trust beneficiary interest of six rental housing properties in Japan (the “ September 2015 Divestments ”) for an aggregate purchase consideration of JPY4,475 million.
30 September 2015	: Completion of the September 2015 Divestments.
2 November 2015	: Completion of divestment of a serviced residence property known as “Salcedo Residences” in a building known as “Stamford Court-Salcedo Makati” located at HV Dela Costa Corner LP Leviste Street, Salcedo Village, Makati City 1227, Philippines through Ascott REIT’s wholly owned subsidiary for a purchase consideration of PHP240.0 million.
23 November 2015	: Issuance of S\$200.0 million in principal amount of 4.205% 7-year Fixed Rate Notes due 23 November 2022 under its S\$1,000,000,000 Multicurrency Medium Term Note Programme established in September 2009.
16 December 2015	: Full redemption of S\$150.0 million 3.80% Fixed Rate Notes due 2015 (ISIN Code: SG6S55977648) under its S\$1,000,000,000 Multicurrency Medium Term Note Programme established in September 2009.
14 March 2016	: Ascott REIT, through its wholly owned subsidiary, entered into a conditional sale and purchase agreement to acquire the hotel property known as Sheraton Tribeca New York Hotel located in New York, United States, the leasehold interest in the land of the hotel property expiring in 2112 and a sub-leasehold interest expiring in 2105 (collectively, the “ Sheraton Tribeca Acquisition ”) for a purchase consideration of US\$158.0 million.
14 March 2016	: The Manager entered into a placement agreement with Morgan Stanley Asia (Singapore) Pte. for a private placement of new Units to institutional and other investors (the “ 2016 Private Placement ”).
23 March 2016	: The Manager issued 94,787,000 new Units pursuant to the 2016 Private Placement to raise gross proceeds of approximately S\$100 million.
23 March 2016	: Issuance of S\$120.0 million in principal amount of 4.0% 8-year Fixed Rate Notes due 23 March 2024 under its S\$1,000,000,000 Multicurrency Medium Term Note Programme established in September 2009.
30 April 2016	: Completion of the Sheraton Tribeca Acquisition.
30 April 2016	: Utilisation of S\$70.4 million of the gross proceeds from the 2016 Private Placement to partially fund the remaining purchase consideration for the Sheraton Tribeca Acquisition, pay for fees and expenses in connection with the 2016 Private Placement and repay borrowings from a revolving credit facility granted to Ascott REIT.

Date	Significant developments
31 August 2016	<p data-bbox="628 181 1406 248">: The Manager announced the following changes to the composition of the Board with effect from 1 September 2016:</p> <ul style="list-style-type: none"> <li data-bbox="663 271 1406 405">(i) the stepping down of Mr Lim Jit Poh as a Non-Executive Independent Director. Mr Lim will also cease to be Chairman of the Board and Chairman of the Corporate Disclosure Committee of the Manager; <li data-bbox="663 427 1406 595">(ii) the appointment of Mr Tan Beng Hai, an existing Non-Executive Independent Director, as Chairman of the Board and the role of Chairman of the Corporate Disclosure Committee. Mr Tan will relinquish his role as a member of the Audit Committee of the Manager; <li data-bbox="663 618 1406 707">(ii) the stepping down of Mr Ku Moon Lun as a Non-Executive Independent Director and Chairman of the Audit Committee of the Manager; <li data-bbox="663 730 1406 831">(iii) the appointment of Mr Sim Juat Quee Michael Gabriel as a Non-Executive Independent Director and Chairman of the Audit Committee of the Manager; and <li data-bbox="663 853 1406 949">(iv) the appointment of Ms Elaine Carole Young as a Non-Executive Independent Director and member of the Audit Committee of the Manager.
20 October 2016	<p data-bbox="628 972 1406 1106">: Appointment of Ms Chan Yim Mei Karen and Ms Chang Tsuey Woan Karen as the Manager's company secretaries in place of Ms Kang Siew Fong and Ms Regina Tan Yee Joo with effect from 20 October 2016.</p>
20 October 2016	<p data-bbox="628 1128 1406 1296">: Utilisation of S\$10.3 million of the gross proceeds from the 2016 Private Placement to fund the final outstanding balance of the purchase consideration for the Sheraton Tribeca Acquisition and repay borrowings from a revolving credit facility granted to Ascott REIT.</p>
22 February 2017	<p data-bbox="628 1319 1406 1408">: Appointment of Ms Beh Siew Kim as the Deputy Chief Executive Officer of the Manager with effect from 1 March 2017.</p>

Latest Valuation

The latest valuation of the properties comprising Ascott REIT's portfolio (the "**Properties**") as at 31 December 2016 is approximately S\$4,511.0 million, which represents a decrease of S\$51.6 million (or approximately 1.1%) from the valuation of the Properties of S\$4,562.6 million as at 30 June 2016, which is mainly due to the sale of strata units in Fortune Garden Apartments during the period.

The Manager of Ascott REIT

The manager of Ascott REIT is Ascott Residence Trust Management Limited and its registered office is located at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912. The names and addresses of the Directors are set out below.

Name	Position	Address
Mr Tan Beng Hai	Chairman and Non-Executive Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Mr Lim Ming Yan	Deputy Chairman and Non-Executive Non-Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Mr (TA) Tay Boon Hwee	Chief Executive Officer and Executive Non-Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Mr Zulkifli Bin Baharudin	Non-Executive Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Mr Sim Juat Quee Michael Gabriel	Non-Executive Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Ms Elaine Carole Young	Non-Executive Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Mr Lee Chee Koon	Non-Executive Non-Independent Director	c/o 168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Information on the Units

As at the Latest Practicable Date, there were 1,660,993,138 Units in issue and outstanding.

Substantial Unitholders¹ of Ascott REIT and their Unitholdings

Based on the information available, the Substantial Unitholders of Ascott REIT² and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units Held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Temasek Holdings (Private) Limited ("THPL")	-	-	752,067,221 ⁽²⁾	45.28	752,067,221 ⁽²⁾	45.28
CapitaLand Limited ("CL")	-	-	733,514,003 ⁽³⁾	44.16	733,514,003	44.16
The Ascott Limited ("TAL")	369,110,400	22.22	364,403,603 ⁽⁴⁾	21.94	733,514,003	44.16
Somerset Capital Pte Ltd ("SCPL")	243,517,200	14.66	-	-	243,517,200	14.66
Ascott Residence Trust Management Limited ("ARTML")	120,886,403	7.28	-	-	120,886,403	7.28

Notes:

(1) The percentage is based on 1,660,993,138 Units in issue as at the Latest Practicable Date.

(2) THPL is deemed to have an interest in the unitholdings in which CL Group and its other subsidiaries and associated companies have direct or deemed interests pursuant to Section 4 of the SFA. THPL is wholly owned by the Minister for Finance.

¹ "Substantial Unitholders" refer to Unitholders with interests in not less than 5.0% of all Units in issue.

² The Substantial Unitholders do not have different voting rights from ordinary Unitholders.

(3) CL is deemed to have an interest in the unitholdings of its wholly owned subsidiaries namely, TAL, SCPL and ARTML.

(4) TAL is deemed to have an interest in the unitholdings of its wholly owned subsidiaries namely, SCPL and ARTML.

History of Issuance of Units

The table below sets out the Units issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

Date	Number of Units Issued
4 February 2016	Issue of 3,578,551 Units to the Manager at an issue price of S\$1.1162 per Unit as partial payment of the base component of the management fee to the Manager for the period from 1 October 2015 to 31 December 2015 (both dates inclusive).
23 March 2016	Issue of 94,787,000 Units at an issue price of S\$1.055 per Unit in connection with a private placement which raised gross proceeds of approximately S\$100 million.
28 April 2016	Issue of 2,119,147 Units to the Manager at an issue price of S\$1.1268 per Unit as partial payment of the base component of the management fee to the Manager for the period from 1 January 2016 to 31 March 2016 (both dates inclusive).
3 August 2016	Issue of 2,114,450 Units to the Manager at an issue price of S\$1.1371 per Unit as partial payment of the base component of the management fee to the Manager for the period from 1 April 2016 to 30 June 2016 (both dates inclusive).
27 October 2016	Issue of 2,135,546 Units to the Manager at an issue price of S\$1.1458 per Unit as partial payment of the base component of the management fee to the Manager for the period from 1 July 2016 to 30 September 2016 (both dates inclusive).
7 February 2017	Issue of 7,522,632 Units to the Manager at an issue price of S\$1.1396 per Unit as partial payment of (a) the base component of the management fee to the Manager for the period from 1 October 2016 to 31 December 2016 (both dates inclusive); and (b) the performance fee for the period from 1 January 2016 to 31 December 2016 (both dates inclusive).

Price Range and Trading Volume of the Units on the SGX-ST

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the 12 calendar months immediately preceding the Latest Practicable Date and for the period commencing on 1 March 2017 to the Latest Practicable Date are as follows:

Month/Period	Price Range (S\$ per Unit)		Average Daily Volume Traded Units (million)
	Highest	Lowest	
March 2016	1.135	1.060	6.204
April 2016	1.145	1.075	2.718
May 2016	1.145	1.105	0.882
June 2016	1.140	1.090	1.533
July 2016	1.165	1.105	1.539
August 2016	1.160	1.125	0.817
September 2016	1.145	1.135	1.079
October 2016	1.150	1.135	1.280
November 2016	1.155	1.115	1.191
December 2016	1.165	1.125	0.923
January 2017	1.185	1.135	1.030
February 2017	1.175	1.140	1.245
1 March 2017 to the Latest Practicable Date	1.175	1.130	3.193

Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Indebtedness

Existing Borrowings

As at the Latest Practicable Date, Ascott REIT has the following borrowings aggregating approximately S\$1,951.4 million, which include loan facilities and multi-currency medium term note programmes:

(A) Loan/Credit Facilities

As at the Latest Practicable Date, Ascott REIT has drawn down:

- (i) an equivalent of S\$1,038.8 million from its secured facilities; and
- (ii) an equivalent of S\$132.6 million from its unsecured facilities.

(B) MTN Programmes

Ascott REIT has put in place a S\$1.0 billion Medium Term Note Programme and a US\$2.0 billion Euro-Medium Term Note Programme established through its wholly owned subsidiaries.

As at the Latest Practicable Date, S\$661.1 million of the S\$1.0 billion Medium Term Note Programme has been issued and on-lent to Ascott REIT. The notes which have been issued pursuant to the S\$1.0 billion Medium Term Note Programme are due between 2018 and 2024, with fixed interest rates ranging from 1.173% per annum to 4.30% per annum.

As at the Latest Practicable Date, S\$118.9 million of the US\$2.0 billion Euro-Medium Term Note Programme has been issued and on-lent to Ascott REIT. The notes which have been issued pursuant to the S\$2.0 billion Euro-Medium Term Note Programme are due on 19 December 2024, at a fixed interest rate of 2.75% per annum.

As at 31 December 2016, the average cost of debt of Ascott REIT is 2.4% per annum. As at the Latest Practicable Date, approximately 79.8% of the borrowings of the Group are on fixed rate basis or have been hedged with interest rate swaps. The remaining approximately 20.2% of the Group's outstanding borrowings are on a floating rate basis.

The Group's secured borrowings are generally secured on the following:

- (a) mortgages on the serviced residences held by Ascott REIT's subsidiaries and the assignment of the rights, titles and interests with respect to the serviced residences;
- (b) assignment of rental proceeds of the serviced residences and insurance policies relating to the serviced residences;
- (c) a pledge of shares of some subsidiaries; and
- (d) a corporate guarantee from Ascott REIT.

Perpetual Securities issued by Ascott REIT

As at the Latest Practicable Date, Ascott REIT has issued S\$250.0 million and S\$150.0 million in aggregate principal amount of fixed rate perpetual securities through the Trustee, which confer a right to receive distribution payments at a rate of 4.68% and 5.00% per annum, respectively. The perpetual securities constitute unsecured and subordinated obligations of Ascott REIT.

USE OF PROCEEDS

OFFER PROCEEDS AND USE OF PROCEEDS

The Rights Issue is intended to raise gross proceeds of approximately S\$442.7 million with the net proceeds of the Rights Issue, being the gross proceeds of the Rights Issue less the estimated amount of underwriting commission as well as the other fees and expenses (including professional fees and expenses) incurred in connection with the Rights Issue, estimated to be approximately S\$437.6 million.

For each dollar of the gross proceeds of approximately S\$442.7 million that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 86.2 cents (equivalent to approximately S\$381.6 million) will be used to part finance the remaining purchase price¹ for the AOS Acquisition;
- (ii) approximately 12.6 cents (equivalent to approximately S\$56.0 million) will be used to part finance the German Acquisitions;
- (iii) approximately 0.8 cents (equivalent to approximately S\$3.4 million) will be used to pay for the underwriting commission; and
- (iv) approximately 0.4 cents (equivalent to approximately S\$1.7 million) will be used to pay the estimated professional fees and expenses and other fees and expenses expected to be incurred in connection with the Rights Issue.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including potential acquisitions.

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.

Any increase in Ascott REIT's debt headroom, through a reduction of its borrowings, will enhance Ascott REIT's flexibility in pursuing potential acquisitions by increasing its ability to raise acquisition financing, uplift its competitive positioning in the market through various asset enhancement plans and strengthen its balance sheet in the event of interest rate volatility.

The Manager will make periodic announcements on the utilisation of the proceeds from the Rights Issue via SGXNET as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual report of Ascott REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Costs of the Rights Issue

Ascott REIT will have to bear the following costs and expenses in relation to the Rights Issue:

- (i) underwriting commission and related expenses of S\$3.4 million which the Manager will pay to the Joint Lead Managers and Underwriters upon completion of the Rights Issue; and
- (ii) professional and other fees and expenses, of S\$1.7 million in connection with the Rights Issue.

¹ Ascott REIT paid S\$20.25 million being the 5% deposit for the AOS Acquisition payable upon satisfaction of the conditions set forth in the put and call option agreement and execution of the sale and purchase agreement in relation to the AOS Acquisition on 23 December 2013.

ADDITIONAL DETAILS ON THE USE OF PROCEEDS

The following sets out additional details on the use of proceeds if such proceeds are used to (i) acquire or refinance the acquisition of an asset (other than in the ordinary course of business), (ii) finance or refinance the acquisition of a business and (iii) discharge, reduce or retire the indebtedness of Ascott REIT.

Acquisition or Refinancing the Acquisition of an Asset other than in the Ordinary Course of Business

None of the proceeds from the Rights Issue will be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business. The net proceeds from the Rights Issue will be used to part finance the remaining purchase price¹ for the AOS Acquisition and to part finance the German Acquisitions. If Ascott REIT does not proceed with the AOS Acquisition and/or the German Acquisitions, the net proceeds from the Rights Issue will be applied towards potential future acquisitions or the repayment of Ascott REIT's existing borrowings.

Financing or Refinancing the Acquisition of a Business

None of the proceeds from the Rights Issue will be used to finance or refinance the acquisition of a business.

Discharge, Reduction or Retirement of the Indebtedness of Ascott REIT

Notwithstanding the Manager's current intention, should any of the AOS Acquisition or the German Acquisitions not complete, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including funding potential acquisitions and/or repayment of Ascott REIT's borrowings. Each such repayment would be announced by the Manager on SGXNET. The details of the indebtedness of Ascott REIT which the Manager may reduce in full or in part with the net proceeds from the Rights Issue (including the details of the maturity of such indebtedness and, in relation to indebtedness which Ascott REIT has incurred over the past 12 months, the uses to which the proceeds giving rise to such indebtedness were put) are set out in the table below.

Indebtedness which may be reduced	Usage	Amount	Maturity Date(s)
Multi-Currency Revolving Facilities			
Multi-currency revolving credit facility	Not applicable	S\$28.3 million (denominated in Japanese Yen)	29 June 2022
Multi-currency revolving credit facility	General capital management and general corporate requirements	S\$130.6 million (denominated in Euro and Pound Sterling)	24 February 2021
Multi-currency revolving credit facility	Not applicable ⁽¹⁾	S\$36.5 million (denominated in Japanese Yen)	30 September 2017
Multi-currency revolving credit facility	General corporate requirements	S\$68.0 million	7 July 2017
Total Indebtedness which may be reduced: Approximately S\$263.4 million may be used to repay any of the above indebtedness			

Note:

(1) Such indebtedness was not incurred by Ascott REIT over the past 12 months.

¹ Ascott REIT paid S\$20.25 million being the 5% deposit for the AOS Acquisition payable upon satisfaction of the conditions set forth in the put and call option agreement and execution of the sale and purchase agreement in relation to the AOS Acquisition on 23 December 2013.

WORKING CAPITAL

The Manager is of the view that, in its reasonable opinion, after taking into consideration Ascott REIT's internal resources and its available loan facilities, the working capital available to Ascott REIT, as at the date of lodgement of this Offer Information Statement, is sufficient to meet Ascott REIT's present requirements.

COMMISSION

The following sets out details of the commission payable to the Joint Lead Managers and Underwriters.

Commission payable to the Joint Lead Managers and Underwriters

Pursuant to the Management and Underwriting Agreement, the Joint Lead Managers and Underwriters will be entitled to an aggregate underwriting commission (excluding goods and services tax payable) of 1.3% of the Issue Price multiplied by the total number of Rights Units less the number of Rights Units subscribed for by TAL pursuant to the TAL Irrevocable Undertaking.

INFORMATION RELATING TO THE ACQUISITIONS

THE AOS ACQUISITION

Information on Ascott Orchard Singapore

Ascott Orchard Singapore, which is a component of the Cairnhill Development, is located in the prime area of Orchard Road, Singapore's shopping belt, and is within walking distance from Orchard and Somerset MRT Station. It received its Temporary Occupation Licence on 10 October 2016 and its Certificate of Statutory Completion on 25 January 2017. It is expected that the Subsidiary Strata Certificates of Title will be issued in 2017.

As part of an integrated development, Ascott Orchard Singapore is a 20-storey serviced residence with 220 units, comprising studios to two-bedroom units and penthouses.

Location	Lot number 1381L and 1382C of Town Subdivision 27 11 Cairnhill Road, Singapore 229724 22 Bideford Road, Singapore 229923 ⁽¹⁾
Leasehold Tenure	Approximately 96 years remaining, expiring on 11 May 2113
Approximate GFA	17,333 sq m
Number of Available Hotel Rooms	220
Vendor	CH Commercial Pte. Ltd. and CH Residential Pte. Ltd.
Purchase Consideration	S\$405.0 million
Proposed AOS Master Lessee	TAL and/or its subsidiary
Term of Proposed AOS Master Lease	Minimum of five years and renewable for another five years upon mutual agreement of the parties

Note:

- (1) Following the redevelopment of the Cairnhill Development, the lot number and address of Ascott Orchard Singapore has been changed from lot number 918K of Town Subdivision 27, at the address of 15 Cairnhill Road, Singapore 229650 to lot number 1381L and 1382C of Town Subdivision 27, at the address of 11 Cairnhill Road, Singapore 229724 and 22 Bideford Road, Singapore 229923.

DETAILS OF THE AOS ACQUISITION

Purchase Consideration

The Purchase Consideration is S\$405.0 million, exclusive of GST thereon and it will be fully satisfied in cash. Together with GST thereon, 5% of the Purchase Consideration was paid upon the satisfaction of the conditions set forth in the put and call option agreement and execution of the share purchase agreement on 23 December 2013, 64.0% of the Purchase Consideration is payable when possession of Ascott Orchard Singapore is delivered and the remaining 31.0% of the Purchase Consideration is payable upon Completion.

PRINCIPAL TERMS OF THE AOS MASTER LEASE

Following the delivery of possession of Ascott Orchard Singapore by the AOS Vendor, Ascott REIT will enter into the AOS Master Lease Agreement with the AOS Master Lessee. The principal terms of the AOS Master Lease Agreement include, among others, the following:

- (i) The term of the lease will be for a minimum of five years, renewable for another five years upon mutual agreement of the parties.
- (ii) The rent payable to the Trustee will be the aggregate of (a) a fixed lease rental component amounting to S\$13,162,500.00 per annum, payable in advance on the first day of each month

and (b) a variable lease rental component amounting to 85% of the NOI of Ascott Orchard Singapore, payable in arrears on a quarterly basis (which shall be subject to adjustment after the final audit of the NOI).

- (iii) The AOS Master Lessee shall only use the demised premises as a serviced residence and/or hotel.
- (iv) The AOS Master Lessee shall take out and keep in force a comprehensive public liability insurance policy of an adequate amount in accordance with the terms of the AOS Master Lease Agreement.
- (v) The AOS Master Lessee shall not transfer, assign, sublet, mortgage or encumber the tenancy or the demised premises or any part thereof without the prior written consent of the Trustee.
- (vi) If and whenever during the term of the AOS Master Lease:
 - (a) any or any part of the rent reserved by the AOS Master Lease shall be unpaid for 30 days after any of the days when they become due for payment (whether or not they shall have been formally demanded); or
 - (b) The AOS Master Lessee shall at any time commit a material breach of the covenants, conditions or agreements contained in the AOS Master Lease Agreement to be performed or observed by the AOS Master Lessee and fails to remedy such breach within 30 days,

it shall be lawful for the Trustee or any person or persons duly authorised by the Trustee for that purpose to re-enter the demised premises (or any part thereof in the name of the whole) at any time (and even if any previous right of re-entry has been waived) and to repossess the demised premises and the term hereby created and the AOS Master Lease shall absolutely cease and determine.

In connection with the AOS Master Lease, the AOS Master Lessee will:

- (i) agree with and undertake to the Trustee to procure the due and punctual performance and observance by the AOS Master Lessee of its undertakings, covenants, agreements and obligations contained in the AOS Master Lease Agreement; and
- (ii) guarantee the due payment to the Trustee of payment of rent and other charges, fees, amounts as set forth in the AOS Master Lease Agreement.

THE GERMAN ACQUISITIONS

Information on the Citadines Michel Hamburg Property

The Citadines Michel Hamburg Property is located in the heart of Hamburg's business district, which is home to multinational companies such as aircraft manufacturer Airbus, shipbuilder and engineering company Blohm + Voss, and publishers Gruner + Jahr. It is a five-minute walk from the Rödingsmarkt metro station, with close proximity to St Michael's Church and close to the city's busy port located on the Elbe River as well as the major trade fair venue, Hamburg Messe. The Hamburg airport is approximately a 30-minute drive away. Other attractions in the vicinity of the property include HafenCity, a newly developed district for working, living and shopping, and Reeperbahn, the city's most popular nightlife district.

The property comprises 127 Apartment Units ranging from studio, one-bedroom to two-bedroom, which offer spacious work and living areas, each fully furnished with fully-equipped kitchens with modern appliances such as a microwave oven, refrigerator and dishwasher, as well as complimentary internet

access. Guests can enjoy its facilities ranging from a breakfast lounge with free refreshments available all day to a fitness room, business corner and meeting room.

Location	Ludwig-Erhard-Straße 7 20459 Hamburg, Germany
Leasehold Tenure	99-year leasehold, starting from 2012
Year of Opening	2014
Approximate GFA	6,577 sq m
Number of Apartment Units	127
German Vendor	Ascott Holdings (Europe) N.V.
Purchase Consideration	€29.7 million (equivalent to S\$44.1 million)
Proposed German Master Lessee	Citadines Betriebs GmbH
Term of Proposed German Master Lease	Minimum of 15 years and renewable for another 5 years exercisable at the option of the Master Lessee

Information on the the Citadines City Centre Frankfurt Property

The Citadines City Centre Frankfurt Property is strategically located at the heart of Frankfurt's new European Quarter (Europaviertel), a district across the renowned Messe Frankfurt Trade Fair area. It is surrounded by numerous retail and commercial developments including the landmark Messeturm skyscraper office tower, the congress centre Kap Europa and Skyline Plaza, an integrated development comprising a congress centre, shopping mall and restaurants. The property is also a short walk to the Frankfurt Central Railway Station which provides fast connections to major cities in Germany and Europe. The property is five minute away by metro from the Frankfurt Stock Exchange and main business district, where a large accumulation of multinational companies from the financial sector are located.

The property comprises 165 Apartment Units, ranging from studios, one- and two-bedroom apartments with contemporary-chic design, comfortable furnishings, elegant artifacts and a fully-equipped kitchen. In addition, each of the one- and two-bedroom apartments has a spacious living area with a work station. The property provides complimentary WiFi access, a business centre, meeting room, private parking, hi-tech fitness zone, breakfast lounge and grocery corner. It is catered to independent travellers who like the flexibility of choosing the services they require from a menu of optional services ranging from daily cleaning to shopping and booking a restaurant, which are available on request.

Location	Europa-Allee 23 60327 Frankfurt am Main, Germany
Leasehold Tenure	Freehold
Year of Opening	2014
Approximate GFA	8,499 sq m
Number of Apartment Units	165
German Vendor	Ascott Holdings (Europe) N.V.
Purchase Consideration	€35.7 million (equivalent to S\$53.1 million)
Proposed German Master Lessee	Citadines Betriebs (Frankfurt) GmbH
Term of Proposed German Master Lease	Minimum of 15 years and renewable for another 5 years exercisable at the option of the Master Lessee

DETAILS OF THE GERMAN ACQUISITIONS

Each of the German Acquisitions (including the entry into the German Master Lease Agreements) constitutes an Interested Person Transaction under Chapter 9 of the Listing Manual. The Manager is separately seeking approval of the Unitholders for the German Acquisitions (including the entry into the German Master Lease Agreements) at an EGM to be held on 19 April 2017.

Structure of the German Acquisitions

The Citadines Michel Hamburg Property Acquisition

Citadines Hamburg Michel GmbH & Co. KG. holds the legal title to the Citadines Michel Hamburg Property.

Ascott REIT is proposing to acquire an effective interest of 93% in the Citadines Michel Hamburg Property from the German Vendor through the acquisition of 94% of the issued shares of Citadines Investments B.V. which holds a 99% interest in Citadines Hamburg Michel GmbH & Co., KG, for an aggregate purchase consideration of €29.7 million (equivalent to approximately S\$44.1 million) (based on 93% of the agreed property value of the Citadines Michel Hamburg Property of €31.2 million (equivalent to approximately S\$46.4 million)), subject to adjustment as at completion. The remaining 6% of Citadines Investments B.V. is held by the German Vendor and the remaining 1% of Citadines Hamburg Michel GmbH & Co., KG is held by an unrelated third party.

The Citadines City Centre Frankfurt Property Acquisition

Citadines Europaviertel (Frankfurt) GmbH & Co., KG holds the legal title to the Citadines City Centre Frankfurt Property.

Ascott REIT is proposing to acquire an effective interest of 93% in the Citadines City Centre Frankfurt Property from the German Vendor through the acquisition of 94% of the issued shares of Citadines (Netherlands) B.V. which holds a 99% interest in Citadines Europaviertel (Frankfurt) GmbH & Co., KG, for an aggregate purchase consideration of €35.7 million (equivalent to approximately S\$53.1 million) (based on 93% of the agreed property value of the Citadines City Centre Frankfurt Property of €37.4 million (equivalent to approximately S\$55.6 million)), subject to adjustment as at completion. The remaining 6% of Citadines (Netherlands) B.V. is held by the German Vendor and the remaining 1% of Citadines Europaviertel (Frankfurt) GmbH & Co., KG is held by an unrelated third party.

Purchase Consideration

The Purchase Consideration is €65.4 million (equivalent to S\$97.2 million), and takes into account the agreed property value of the German Properties, which was arrived at on a willing-buyer and willing-seller basis and derived based on two independent valuations¹ by the Independent Valuers for the German Properties as at 15 January 2017 in relation to:

- (i) an effective interest of 93% in the Citadines Michel Hamburg Property through an acquisition of 94% interest in Citadines Investments B.V. (which indirectly owns 99% interest in Citadines Hamburg Michel GmbH & Co. KG. which in turn holds the Citadines Michel Hamburg Property); and
- (ii) an effective interest of 93% in the Citadines City Centre Frankfurt Property through an acquisition of 94% interest in Citadines (Netherlands) B.V. (which indirectly owns 99% interest in Citadines Europaviertel (Frankfurt) GmbH & Co., KG. which in turn holds the Citadines City Centre Frankfurt Property).

¹ Please refer to the circular dated 8 March 2017 issued by Ascott REIT to Unitholders (the “Circular”) for the purpose of seeking the approval of Unitholders of the German Acquisitions (including the entry into the German Master Lease Agreements) for more details on the independent valuations.

The appraised value¹ of the Citadines Michel Hamburg Property is €31.3 million (equivalent to S\$46.5 million) and the appraised value of the Citadines City Centre Frankfurt Property is €37.7 million (equivalent to S\$56.0 million).

The German Acquisitions will complement Ascott REIT's existing portfolio of serviced residence properties and will expand Ascott REIT's presence in Germany. The German Acquisitions will also increase the absolute size of Ascott REIT's asset base by 2.1% from S\$4.8 billion to S\$4.9 billion.

Costs of the German Acquisitions

The estimated total transaction costs of the German Acquisitions is approximately S\$2.1 million, comprising:

- (i) total acquisition fees of approximately S\$1.0 million (being 1% of the Enterprise Value² of S\$97.2 million) payable to the Manager pursuant to the Trust Deed; and
- (ii) aggregate associated costs³ of approximately S\$1.1 million incurred or to be incurred by Ascott REIT in connection with the German Acquisitions.

As the German Acquisitions will constitute Interested Party Transactions⁴ under the Property Funds Appendix, the total acquisition fees payable to the Manager will be in the form of Units⁵, which shall not be sold within one year from the date of issuance.

PRINCIPAL TERMS OF THE GERMAN SALE AND PURCHASE AGREEMENTS

Principal Terms of the Hamburg SPA

The principal terms of the Hamburg SPA include, among others, the following:

- (i) The aggregate purchase consideration of €29.7 million (equivalent to approximately S\$44.1 million), is based on: (a) the pro rata share of the consolidated net asset value of Citadines Investments B.V. group of €12.3 million (equivalent to approximately S\$18.2 million) as at 31 December 2016, which takes into account the agreed value of the Citadines Michel Hamburg Property of €31.2 million (equivalent to approximately S\$46.4 million), and (b) the assignment to the German Purchaser of its pro-rata share of the existing intercompany loan to Citadines Investments B.V. held by the German Vendor of €17.4 million (equivalent to approximately S\$25.9 million) as at 31 December 2016.

The aggregate purchase consideration shall be adjusted to the pro rata share of the consolidated net asset value of Citadines Investments B.V. group as at completion and the amount outstanding under the intercompany loan as at completion and fully satisfied in cash;

¹ Based on the average of two independent valuations by the Independent Valuers, being Cushman & Wakefield VHS Pte. Ltd. (appointed by the Trustee) and CBRE Pte. Ltd. (appointed by the Manager) as at 15 January 2017, in relation to the German Properties.

² Pursuant to Clause 15.2.1(i) of the Trust Deed, "Enterprise Value" means the sum of the equity value and the total net debt attributable to the shares being acquired by Ascott REIT and where the asset acquired by Ascott REIT is a Real Estate (as defined herein), "Enterprise Value" means the value of the Real Estate. For purposes of the German Acquisitions, the Enterprise Value is calculated by adding the effective interest of 93% of the agreed property value of S\$102.0 million and the consolidated net current assets (which will be adjusted at completion) of S\$2.3 million.

³ The associated costs of S\$1.1 million comprises legal and other professional fees (including technical due diligence, valuation, independent financial adviser, auditors' and tax advisers' fees) of approximately S\$0.7 million and other expenses (including printing and EGM expenses) of approximately S\$0.4 million.

⁴ The term "Interested Party Transaction" as defined in Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "Property Funds Appendix"), refers to transactions described as such in the Property Funds Appendix.

⁵ The acquisition fee Units will be issued at an issue price equal to the volume weighted average price for a Unit for all trades on the SGX-ST, in the ordinary course of trading, for the period of five business days immediately preceding the date of payment of the acquisition fee pursuant to Clause 5.2.4(i) of the Trust Deed.

- (ii) The completion of the acquisition of 94% of the issued shares in Citadines Investments B.V. is subject to and conditional upon, among others:
 - (a) the receipt by The Ascott Europe N.V. (the “**German Purchaser**”) of such waivers or consents as may be necessary to enable the German Purchaser to be registered as holder of 94% of the issued shares in Citadines Investments B.V.;
 - (b) obtaining the approval of Unitholders at an EGM to be convened to approve the transactions contemplated in the Circular, including the purchase of an effective interest of 93% of the Citadines Michel Hamburg Property;
 - (c) there being no compulsory acquisition of the Citadines Michel Hamburg Property or any part of the Citadines Michel Hamburg Property, and no notice of such intended compulsory acquisition has been given, by the government or such other competent authority;
 - (d) the assignment to the German Purchaser of its pro-rata share of the existing intercompany loan and all the rights, title and interest of the German Vendor in the intercompany loan as at the completion date free of all encumbrances by the German Vendor to the German Purchaser; and
 - (e) the completion of the acquisition of 94% of the issued shares in Citadines (Netherlands) B.V. taking place simultaneously;
- (iii) The German Vendor has provided representations and warranties in respect of the sale shares of Citadines Investments B.V., with certain limitations on the liability of the German Vendor in respect of any breach of warranties including provisions for an aggregate maximum liability, minimum thresholds for claims and limitation periods;
- (iv) TAHL has agreed to, in its capacity as guarantor under the Hamburg SPA, guarantee to the German Purchaser the due and punctual performance and observance by the German Vendor of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Hamburg SPA and has agreed to indemnify the German Purchaser against all losses, liabilities, costs (including without limitation reasonable legal costs), charges, expenses, actions, proceedings, claims and demands which the German Purchaser may suffer through or arising from any breach by the German Vendor of the obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Hamburg SPA subject to the terms and conditions as set out in the Hamburg SPA; and
- (v) TAHL will execute a deed of indemnity to be entered into between TAHL, the German Purchaser and Citadines Investments B.V. to, *inter alia*, indemnify the German Purchaser and Citadines Investments B.V. against any losses, liabilities and damages suffered by any of the German Purchaser or Citadines Investments B.V. (as the case may be) or any depletion in or reduction in value of their respective assets or increase in their respective liabilities and/or any of its subsidiaries in connection with or arising from or incidental to or as a result or in consequence of any claim for taxation in respect of or arising from: (a) any transaction effected or deemed to have been effected on or before the completion date under the Hamburg SPA; or (b) by reference to any income, profits or gains earned, accrued or received on or before the completion date under the Hamburg SPA.

Principal Terms of the Frankfurt SPA

The principal terms of the Frankfurt SPA include, among others, the following:

- (i) The aggregate purchase consideration of €35.7 million (equivalent to approximately S\$53.1 million), is based on: (i) the pro rata share of the consolidated net asset value of Citadines (Netherlands) B.V. group of €14.5 million (equivalent to approximately S\$21.6 million) as at

31 December 2016, which takes into account the agreed value of the Citadines City Centre Frankfurt Property of €37.4 million (equivalent to approximately S\$55.6 million), and (ii) the assignment to the German Purchaser of its pro-rata share of the existing intercompany loan to Citadines (Netherlands) B.V. held by the German Vendor of €21.2 million (equivalent to approximately S\$31.5 million) as at 31 December 2016.

The aggregate purchase consideration shall be adjusted to the pro rata share of the consolidated net asset value of Citadines (Netherlands) B.V. group as at completion and the amount outstanding under the intercompany loan as at completion and fully satisfied in cash;

- (ii) The completion of the acquisition of 94% of the issued shares in Citadines (Netherlands) B.V. is subject to and conditional upon, among others:
 - (a) the receipt by the German Purchaser of such waivers or consents as may be necessary to enable the German Purchaser to be registered as holder of 94% of the issued shares in Citadines (Netherlands) B.V.;
 - (b) obtaining the approval of Unitholders at an EGM to be convened to approve the transactions contemplated in the Circular, including the purchase of an effective interest of 93% of the Citadines City Centre Frankfurt Property;
 - (c) there being no compulsory acquisition of the Citadines City Centre Frankfurt Property or any part of the Citadines City Centre Frankfurt Property, and no notice of such intended compulsory acquisition has been given, by the government or such other competent authority;
 - (d) the assignment to the German Purchaser of its pro-rata share of the existing intercompany loan and all the rights, title and interest of the German Vendor in the intercompany loan as at the completion date free of all encumbrances by the German Vendor to the German Purchaser; and
 - (e) the completion of the acquisition of 94% of the issued shares in Citadines Investments B.V. taking place simultaneously;
- (iii) The German Vendor has provided representations and warranties in respect of the sale shares of Citadines (Netherlands) B.V., with certain limitations on the liability of the German Vendor in respect of any breach of warranties including provisions for an aggregate maximum liability, minimum thresholds for claims and limitation periods;
- (iv) TAHL has agreed to, in its capacity as guarantor under the Frankfurt SPA, guarantee to the German Purchaser the due and punctual performance and observance by the German Vendor of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Frankfurt SPA and has agreed to indemnify the German Purchaser against all losses, liabilities, costs (including without limitation reasonable legal costs), charges, expenses, actions, proceedings, claims and demands which the German Purchaser may suffer through or arising from any breach by the German Vendor of the obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Frankfurt SPA subject to the terms and conditions as set out in the Frankfurt SPA; and
- (v) TAHL will execute a deed of indemnity to be entered into between TAHL, the German Purchaser and Citadines (Netherlands) B.V. to, inter alia, indemnify the German Purchaser and Citadines (Netherlands) B.V. against any losses, liabilities and damages suffered by any of the German Purchaser or Citadines (Netherlands) B.V. (as the case may be) or any depletion in or reduction in value of their respective assets or increase in their respective liabilities and/or any of its subsidiaries in connection with or arising from or incidental to or as a result or in consequence of any claim for taxation in respect of or arising from: (a) any

transaction effected or deemed to have been effected on or before the completion date under the Frankfurt SPA; or (b) by reference to any income, profits or gains earned, accrued or received on or before the completion date under the Frankfurt SPA.

PRINCIPAL TERMS OF THE GERMAN MASTER LEASE AGREEMENTS

Upon the completion of the German Acquisitions, the relevant German Property Holding Company shall enter into separate German Master Lease Agreements with the relevant German Master Lessee, an indirect wholly owned subsidiary of TAHL, pursuant to which the relevant German Property Holding Company shall grant the German Master Lease to the respective German Master Lessee for a term of 15 years, commencing from the date of completion of the German Acquisitions with an option to renew for a further term of five years exercisable at the option of the German Master Lessee. The rental payable under each of the German Master Lease Agreements for the German Properties is as follows:

- Citadines Michel Hamburg Property: Fixed Lease Rental of €1.7 million per annum. The lease rental will be revised commencing from the second full operating year of the term based on the change in the consumer price indices published by the Federal Statistical Office of Germany as compared to the consumer price indices published at the last adjustment or the commencement of the term (for the first adjustment).
- Citadines City Centre Frankfurt Property: Fixed Lease Rental of €2.0 million per annum. The lease rental will be revised commencing from the second full operating year of the term based on the change in the consumer price indices published by the Federal Statistical Office of Germany as compared to the consumer price indices published at the last adjustment or the commencement of the term (for the first adjustment).

Upon entry into the German Master Leases, TAL will enter into the TAL Guarantee in favour of the Trustee under which TAL guarantees the payment of rent and other charges, fees and amounts under the German Master Leases during the lease term.

The terms of the German Master Lease Agreements include the following:

- (i) The term of the lease will be for a minimum of 15 years, commencing from the date of completion of the German Acquisitions, renewable for another five years exercisable at the option of the German Master Lessee;
- (ii) The annual rent is payable to the relevant German Property Holding Company in advance on a monthly basis;
- (iii) The German Master Lessee shall only use the demised premises as a serviced residence;
- (iv) The German Master Lessee may, with the master lessor's consent, only assign or transfer its rights, benefits or obligations under the German Master Lease if the German Master Lease is to be assigned as a whole to the purchaser of the German Master Lessee's on-going concern and the German Master Lessee shall remain liable as joint guarantor for all the successive assignees' obligations;
- (v) The German Master Lessee shall bear all taxes, including property tax;
- (vi) The German Master Lessee must obtain adequate insurance coverage with the master lessor as the co-insured;
- (vii) In the event of a total destruction of the relevant German Property, the German Master Lease shall be automatically terminated and in case of a partial destruction, the German Master Lessee is obliged to rebuild and restore the relevant German Property and the German Master Lease continues to remain valid and in force during such time to the extent the German Master

Lessee is able to obtain reimbursement of the required expenses from an insurer. However, the German Master Lessee does not have the obligation to pay rent and other payments during this period; and

- (viii) In the case of non-payment of rent for a period covering more than two rental payment dates or a breach by the German Master Lessee of any major covenant in the German Master Lease where a four-week period after receipt by the Master Lessee of a written notice to remedy the breach has expired and such notice has been left unanswered or without remedy, the master lessor is entitled to terminate the German Master Leases.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*This section should be read together with the selected financial data from the Financial Statements which are set out in **Appendix A** of this Offer Information Statement. Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Ascott REIT at <http://www.ascottreit.com> and are also available for inspection during normal business hours at the registered office of the Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.*

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained in the website of Ascott REIT does not constitute part of this Offer Information Statement.

OPERATING REVIEW

Statements of Total Return and Distribution Statements

Selected financial data from the 2014 Audited Financial Statements, the 2015 Audited Financial Statements and the 2016 Audited Financial Statements is set out in **Appendix A** of this Offer Information Statement. Financial data relating to (i) DPU, (ii) earnings per Unit, (iii) DPU after adjustment for the bonus element in the Rights Units and (iv) earnings per Unit after adjustment for the bonus element in the Rights Units, amongst others, are also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements where applicable.

Balance Sheets and Cash Flow Statements

Selected financial data from the 2015 Audited Financial Statements and the 2016 Audited Financial Statements, including the line items in the consolidated balance sheets and cash flow statements of Ascott REIT, NAV per Unit, and NAV per Unit after any adjustment to reflect the issuance of the Rights Units is also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements.

Liquidity and Capital Resources

FY2015

The cash balance of Ascott REIT increased by S\$27.9 million to S\$220.5 million during FY2015. The increase was mainly due to S\$243.4 million of net cash inflow from financing activities, S\$177.5 million of cash generated from operating activities and S\$3.7 million due to foreign exchange impact. These increases were partially offset by S\$396.7 million of cash outflow due to investing activities.

The net cash inflow from financing activities was mainly due to proceeds from issue of medium term notes and perpetual securities (net of transaction costs) amounting to S\$527.9 million, partially offset by distributions to Unitholders and perpetual securities holders of S\$138.1 million and repayment of medium term notes of S\$150.0 million.

The net cash outflow from investing activities was mainly due to acquisitions of serviced residence properties and plant and equipment of S\$430.4 million and capital expenditure on serviced residence properties of S\$35.2 million, partially offset by proceeds from divestment of serviced residence properties of S\$58.1 million and proceeds from disposal of assets held for sale of S\$9.1 million.

¹ Prior appointment with the Manager will be appreciated.

FY2016

The cash balance of Ascott REIT decreased by S\$77.4 million to S\$143.1 million during FY2016. The decrease was mainly due to S\$194.8 million of cash outflow due to investing activities and S\$84.2 million of net cash outflow due to financing activities. These decreases were partially offset by S\$200.1 million of cash generated from operating activities and S\$1.5 million due to foreign exchange impact.

The net cash outflow from investing activities was mainly due to acquisitions of serviced residence properties and plant and equipment of S\$230.7 million and capital expenditure on serviced residence properties of S\$40.7 million, partially offset by proceeds from disposal of assets held for sale of S\$74.5 million.

The net cash outflow from financing activities was mainly due to distributions to Unitholders and perpetual securities holders of S\$145.7 million and payment of interest of S\$49.3 million, partially offset by proceeds from issue of units (net of transaction costs) amounting to S\$99.1 million and net proceeds from borrowings and issue of medium term notes of S\$19.0 million.

FINANCIAL REVIEW

The following sets out the management's discussion and analysis on significant factors, including any unusual or infrequent event or new development, which materially affected income available for distribution to Unitholders after tax, including significant components of revenue or expenditure relating to distribution to Unitholders after tax for the financial periods referred to below.

Management's Discussion and Analysis of Financial Condition and Results of Operations

FY2014

Gross revenue in FY2014 increased by S\$40.6 million or 12.8%, as compared to gross revenue for the financial year ended 31 December 2013 ("**FY2013**"), to S\$357.2 million. This was mainly due to the acquisition of nine properties in four countries (Australia, China, Japan and Malaysia) in FY2014 and the full year contribution from the 14 properties acquired on 28 June 2013.

As a result of increased revenue, gross profit improved to S\$180.2 million from S\$161.2 million in FY2013.

Unitholders' distribution grew by 9.4% year-on-year to reach a record high of S\$125.6 million. DPU for FY2014 was 8.20 cents, 2.4% lower than FY2013. Excluding the effects from the 2013 Rights Issue and one-off items, DPU for FY2014 would have been 7.61 cents and 5.8% higher than the adjusted DPU for FY2013 of 7.19 cents.

Ascott REIT's total assets more than quadrupled to S\$4.1 billion from its initial listing total assets of close to S\$1.0 billion in March 2006 with a compound annual growth rate of 18.1%.

In FY2014, Ascott REIT made its maiden issuance of S\$150.0 million perpetual securities to fund its acquisitions in Japan and Australia. The issuance has strengthened Ascott REIT's balance sheet and enhanced its financial flexibility to tap any future growth opportunities to optimise returns for the unitholders.

FY2015

In FY2015, gross revenue increased by S\$63.9 million or 17.9% year-on-year to S\$421.1 million. This was mainly due to the acquisition of six properties in three countries (Australia, Japan and the United States of America) in FY2015 and the full year contribution from the nine properties acquired in FY2014. Consequently, gross profit grew by 13.5% to S\$204.6 million.

Unitholders' distribution and DPU for FY2015 was S\$123.3 million and 7.99 cents respectively. Excluding the effects from one-off items in FY2015 and FY2014, the DPU for FY2015 would have been 8.06 cents, 5.9% higher than the adjusted DPU for FY2014 of 7.61 cents.

In FY2015, Ascott REIT made its foray into the United States of America through the acquisition of an extended-stay hotel property in New York and further enhanced the diversification of its portfolio.

As part of its strategy to reconstitute and improve the quality of its portfolio, Ascott REIT successfully divested six rental housing properties in the regional cities of Japan and a serviced residence property in the Philippines above the latest valuation of these properties for a net gain of S\$9.9 million.

Ascott REIT's total assets was S\$4.7 billion as at 31 December 2015, an increase of 14.6% as compared to that as at 31 December 2014. This was mainly due to the new acquisitions and increase in valuation of the serviced residence properties in FY2015.

FY2016

In FY2016, gross revenue increased by S\$54.5 million or 12.9% year-on-year to reach S\$475.6 million. This was mainly due to the acquisition of Sheraton Tribeca New York Hotel during the year and the full year contribution from the six properties acquired in FY2015. The increase was partially offset by the decrease in revenue from the divestment of six rental housing properties in the financial quarter ended 30 September 2015 and decrease in revenue from the existing properties in United Kingdom, Philippines and China.

In line with the revenue increase, gross profit increased by 8.6% to S\$222.2 million.

Unitholders' distribution and DPU for FY2016 was S\$135.0 million, an increase of S\$11.7 million or 9.5% as compared to FY2015. Unitholders' distribution for FY2016 included realised exchange gain of S\$8.8 million arising from repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments and repayment of shareholders' loans from the Group's subsidiaries. DPU for FY2016 was 8.27 cents, 3.5% higher than FY2015.

Ascott REIT's total assets was S\$4.8 billion as at 31 December 2016, an increase of 1.4% as compared to that as at 31 December 2015. This was mainly due to the acquisition of Sheraton Tribeca New York Hotel and increase in valuation of serviced residence properties, partially offset by the divestment of strata units in Fortune Garden Apartments. As at 31 December 2016, all the units in Fortune Garden Apartments have been sold or have executed sale and purchase agreements.

In FY2016, Ascott REIT raised S\$100.0 million through an equity placement exercise. The gross proceeds from the equity placement were deployed to fund the acquisition of Sheraton Tribeca New York Hotel in April 2016.

Working Capital

Ascott REIT's internal resources and its available loan facilities have been sufficient for its working capital requirements for FY2014, FY2015 and FY2016.

BUSINESS PROSPECTS AND TREND INFORMATION

Business and Financial Prospects of Ascott REIT

Global economic recovery continues to remain uncertain. Notwithstanding the foregoing, the Manager believes that with its diversified portfolio and extended-stay business model, coupled with the stability of income through its master leases and serviced residence management contracts with minimum guaranteed income, Ascott REIT will continue to focus on creating stable income and returns to its Unitholders.

Ascott Orchard Singapore, which Ascott REIT has entered into a sale and purchase agreement to acquire upon Completion, commenced operations in December 2016 and possession is expected to be delivered in 2017. The AOS Acquisition will allow Ascott REIT to retain a presence in the heart of

Orchard Road, a major tourist attraction and retail and entertainment hub in Singapore. Ascott Orchard Singapore will be Ascott REIT's second Ascott branded property in Singapore. The entry of the Master Lease for Ascott Orchard Singapore will further enhance the income stability of Ascott REIT. The fixed rent component of lease payment provides certainty of income stream to Ascott REIT.

The Rights Issue, AOS Acquisition and German Acquisitions will enhance Ascott REIT's financial flexibility and increase its debt headroom by lowering its Aggregate Leverage¹ of 39.8% as at 31 December 2016 to 37.0%. The more robust balance sheet and improved credit profile will enable Ascott REIT to negotiate and secure debt facilities at potentially more competitive terms. The Manager believes that the reduction in the Aggregate Leverage would place Ascott REIT in a stronger position with greater financial flexibility to capitalise on acquisition opportunities and uplift its competitive positioning in the market through various asset enhancement plans.

The Manager will continue to refurbish Ascott REIT's Properties to enhance guest experience and maximise returns to Unitholders. To optimise returns to Unitholders, the Manager has adopted a multi-pronged strategy of unlocking the value of assets which have reached their optimal stage of life cycle, continuous proactive efforts to enhance the real estate value of assets and deploying capital efficiently to acquire good quality assets through seizing market opportunities from both TAL and third parties. The Manager continues to remain committed in diversifying the portfolio and seek to pursue acquisition opportunities across different geography.

In line with its strategy to reconstitute and improve the quality of its portfolio, the Manager is currently exploring opportunities to divest one or more of Ascott REIT's properties that have reached the optimal stage in the property cycle.

Significant trends and conditions of the market

According to the 2016 Hotel Investment Outlook by Jones Lang Lasalle², underlying hotel market fundamentals remain positive globally, and REVPAU³ growth would continue in mature economies in the U.S. and key gateway cities in Europe. Growth in REVPAU is expected across Asia-Pacific region, with Japan and Australia among the bright spots in terms of demand fundamentals. Ascott REIT's Properties are sited in key global cities and are consistent with the locale where strong growth is purportedly expected. The Manager continues to pursue acquisition opportunities of good quality assets in these global key gateway cities, on the back of strong operating fundamentals and active investment market.

(See the section entitled "Risk Factors" of this Offer Information Statement for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

¹ "Aggregate Leverage" means the ratio of the value of total borrowings and deferred payments (if any) to the value of all the assets of Ascott REIT for the time being held or deemed to be held upon the trusts of the Trust Deed (the "Deposited Property").

² Source: 2016 Hotel Investment Outlook, Jones Lang Lasalle (URL: <http://www.jll.com/Documents/hio-2016/JLL%20-%20Hotel%20Investment%20Outlook%202016.pdf>). Jones Lang Lasalle has not provided its consent, for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Jones Lang Lasalle is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

³ "REVPAU" refers to revenue per available unit in the Properties.

PRO FORMA FINANCIAL INFORMATION

Pro Forma Financial Effects of the Rights Issue, the AOS Acquisition, AOS Master Lease, the German Acquisitions and the German Master Leases

Assumed Exchange Rates

In preparing the pro forma DPU and NAV per Unit for FY2016, the exchange rates between € and the Singapore dollar are assumed to be as follows:

	1 January 2016	Average rate for FY2016	31 December 2016
€	1.49725	1.52861	1.51761

FOR ILLUSTRATIVE PURPOSE ONLY: The pro forma financial effects of the Rights Issue, the AOS Acquisition, the AOS Master Lease, the German Acquisitions and the German Master Leases (collectively, the “**Transactions**”) on the DPU, the NAV per Unit, and the capitalisation of Ascott REIT presented below are strictly for illustrative purposes and were prepared based on the 2016 Audited Financial Statements as well as the following assumptions:

- (i) the balance purchase consideration for the AOS Acquisition is S\$384.8 million;
- (ii) 481,688,010 Rights Units are issued at an Issue Price of S\$0.919 per Rights Unit;
- (iii) the estimated professional and other fees and expenses incurred or to be incurred by Ascott REIT in connection with the Rights Issue is S\$5.1 million;
- (iv) the aggregate purchase consideration for the German Acquisitions is S\$97.9 million (based on the exchange rate of €1.00 to S\$1.49725;
- (v) the estimated professional and other fees and expenses incurred or to be incurred by Ascott REIT in connection with the German Acquisitions is S\$1.1 million;
- (vi) Rights Issue proceeds of S\$56.0 million and bank borrowings of S\$43.0 million are used to pay for the aggregate purchase consideration and associated costs of the German Acquisitions; and
- (vii) the Manager’s management fees payable for the German Acquisitions are paid 50.0% in Units.

The pro forma financial effects are for **illustrative purposes only** and do not represent Ascott REIT’s DPU and NAV per Unit following the completion of the Transactions.

Pro Forma DPU and Distribution Yield

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on Ascott REIT’s DPU for FY2016, as if the Transactions were completed on 1 January 2016, are as follows:

	Pro Forma Financial Effects for FY2016		
	2016 Audited Financial Statements	After the Rights Issue and the AOS Acquisition	After the Transactions
Amount available for distribution (S\$’000)	134,991 ⁽¹⁾	153,609 ⁽²⁾	157,130
Units in issue and to be issued (’000)	1,653,471 ⁽³⁾	2,135,693 ⁽²⁾	2,136,615 ⁽⁴⁾
DPU (cents)	8.27	7.27	7.43
Distribution yield (%)	7.3 ⁽⁵⁾	6.5 ⁽⁶⁾	6.7 ⁽⁶⁾
DPU yield (%) based on Issue Price	N.A.	7.9	8.1

Notes:

- (1) Based on the 2016 Audited Consolidated Financial Statements.
- (2) Adjusted for the pro forma financial effects of the AOS Acquisition and the Rights Issue, as if they were completed on 1 January 2016.
- (3) Number of Units in issue as at 31 December 2016.
- (4) Includes adjustments to include approximately 0.9 million new Units issued as payment of the acquisition fee and Manager's management fees for the German Acquisitions. The Manager's acquisition fee was assumed to be paid in Units based on an issue price of S\$1.19 on 1 January 2016. The Units issued as payment of the Manager's fees were assumed to be issued at the same prices as those that were actually issued as payment for management fees for the existing properties for FY2016.
- (5) Based on the closing Unit price of S\$1.13 on 31 December 2016.
- (6) Based on TERP of S\$1.114 per Unit.

Pro Forma NAV per Unit

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on the NAV per Unit as at 31 December 2016, as if the Transactions were completed on that date, are set out in the table below.

In addition to the assumptions set out above, the following assumptions have been made in preparing the pro forma NAV as at 31 December 2016:

- (i) the aggregate purchase consideration for the German Acquisitions is S\$99.3 million (based on the exchange rate of €1.00 to S\$1.51761; and
- (ii) Rights Issue proceeds of S\$56.0 million and bank borrowings of S\$44.4 million are used to pay for the aggregate purchase consideration and associated costs of the German Acquisitions.

	Pro Forma Financial Effects as at 31 December 2016		
	2016 Audited Financial Statements	After the Rights Issue and the AOS Acquisition	After the Transactions
NAV (S\$'000)	2,200,625 ⁽¹⁾	2,638,215 ⁽²⁾	2,639,108
Units issued ('000)	1,653,471 ⁽³⁾	2,135,159 ⁽²⁾	2,136,037 ⁽⁴⁾
NAV per Unit (cents)	1.33	1.24	1.24

Notes:

- (1) Based on the 2016 Audited Consolidated Financial Statements.
- (2) Adjusted for the pro forma financial effects of the AOS Acquisition and the Rights Issue, as if they were completed on 31 December 2016.
- (3) Number of Units in issue as at 31 December 2016.
- (4) Include adjustments to include approximately 0.9 million new Units issued as payment of the acquisition fee for the German Acquisitions. The Manager's acquisition fee was assumed to be paid in Units based on an issue price of S\$1.13 on 31 December 2016.

Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on the capitalisation of Ascott REIT as at 31 December 2016, as if the Transactions were completed on 31 December 2016, are as follows:

(in S\$'000)	Pro Forma Financial Effects as at 31 December 2016		
	2016 Audited Financial Statements	After the Rights Issue and the AOS Acquisition	After the Transactions
Long-term debt⁽²⁾:			
Secured	910,681	913,841	958,207
Unsecured	801,680	801,680	801,680
Finance lease liabilities	3,298	3,298	3,298
Total long-term debt	1,715,659	1,718,819	1,763,185
Short-term debt⁽²⁾:			
Secured	108,389	108,389	108,389
Unsecured	35,513	35,513	35,513
Finance lease liabilities	3,071	3,071	3,071
Total short-term debt	146,973	146,973	146,973
Total debt	1,862,632	1,865,792	1,910,158
Unitholders' funds	2,200,625 ⁽¹⁾	2,638,215	2,639,108
Total capitalisation	4,063,257	4,504,007	4,549,266

Notes:

- (1) Based on the 2016 Audited Consolidated Financial Statements.
- (2) Stated net of unamortised transaction costs, amounting to a total of S\$14.4 million.

RISK FACTORS

*The risks described below should be carefully considered before making an investment decision in relation to the Rights Entitlements, the Rights Units or the Units. The risks described below are not the only ones relevant to Ascott REIT, the Manager, the Trustee, the Rights Entitlements, the Rights Units or the Units. These risk factors are not intended to be exhaustive and, in particular, are not intended to repeat the risk factors set out in the prospectus dated 6 March 2006 in connection with the listing of Ascott REIT on the SGX-ST (the “**Prospectus**”), the offer information statement dated 19 September 2006, the offer information statement dated 12 March 2007, the offer information statement dated 13 September 2010 and the offer information statement dated 14 November 2013 certain of which may continue to be applicable to Ascott REIT. Details of some of the risk factors relating to the Existing Portfolio which continue to be applicable to Ascott REIT can be found in the Prospectus. Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may also impair the business operations of Ascott REIT. The business, financial condition or results of operations of Ascott REIT could be materially and adversely affected by any of these risks.*

RISKS ASSOCIATED WITH THE GROUP’S BUSINESS

Ascott REIT’s prospects may be adversely affected by natural disasters or other catastrophes, severe weather conditions or other acts of God.

Natural disasters or other catastrophes, severe weather conditions or other acts of God that are beyond Ascott REIT’s control may adversely affect the economy, infrastructure and livelihood of the people in those countries or regions. Some countries or regions where Ascott REIT operates face threats of floods, earthquakes, sandstorms, snowstorms, fires and droughts, and epidemics of communicable diseases. Any such outbreak, or the measures taken by the governments of affected countries, including Singapore, against such an outbreak, could severely disrupt Ascott REIT’s business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition or results of operations.

Ascott REIT’s business may be affected by changes in general economic and business conditions resulting from an increase in worldwide terrorism and political instability.

Ascott REIT operates in various countries around the world and is exposed to the risks of political unrest, war, acts of terrorism, geopolitical tensions and other instability which can result in disruption to its business or the business of its customers and seizure of or damage to assets. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its businesses, financial condition, results of operations and prospects.

Ascott REIT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in which the assets of Ascott REIT are located.

Ascott REIT depends, to a large extent, on the performance of the local, regional and/or global economy in which its assets are located.

An economic decline in the countries in which the assets of Ascott REIT are located could adversely affect Ascott REIT’s operations, results and future growth. These events could adversely affect Ascott REIT insofar as they result in:

- a lower occupancy rate due to lower mobility of persons implied by an economic slowdown;
- a negative impact on the ability of the tenants/lessees to pay their rents in a timely manner or continue their leases, thus reducing Ascott REIT’s cash flow;
- an increase in counterparty risk;

- negative foreign exchange impacts as compared to the Singapore Dollar, at the time of consolidating the financial performance of the subsidiaries; and/or
- an increased likelihood that one or more of (i) Ascott REIT's banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or Ascott REIT's operations or (iii) Ascott REIT's insurers, may be unable to honour their commitments to Ascott REIT.

Investment in real estate and real estate-related assets in other countries will expose Ascott REIT to additional local real estate market conditions. Other real estate market conditions which may adversely affect the performance of Ascott REIT include the attractiveness of competing real estate and real estate-related assets or an oversupply or reduced demand for such real estate-related assets.

Further, Ascott REIT is subject to foreign real estate laws, regulations and policies as a result of its property investments in foreign countries. Measures and policies adopted by the relevant foreign governments and regulatory authorities at national, provincial or local levels, such as government control over property investments or foreign exchange regulations, might negatively impact Ascott REIT's properties in foreign countries.

In addition, the income and gains derived from its investment in real estate and real estate-related assets will be subject to various types of taxes in the countries where the assets are located, including income tax, withholding tax, capital gains tax and any other taxes that may be imposed specifically for ownership of real estate. All of these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these real estate and real estate-related assets and hence affect the distribution to Unitholders. There is also no assurance that Ascott REIT will be able to repatriate to Singapore the income and gains derived from investment in real estate and real estate-related assets outside Singapore on a timely and regular basis. Any inability to repatriate the income and gains to Singapore will affect Ascott REIT's ability to make distributions to Unitholders out of such income and gains.

The Group is subject to the operating risks inherent in the serviced residence and rental housing industry.

The Group is subject to the operating risks inherent in the serviced residence and rental housing industry which may adversely affect the results of operations of the Group. These include:

- market conditions in the countries the Ascott REIT operates in, such as an oversupply or reduced demand and adverse changes in rental rates and operating expenses which could affect the profitability of Ascott REIT;
- competition for tenants from the serviced residence and hospitality properties that may affect rental and occupancy levels in Ascott REIT's properties;
- cyclical downturns arising from changes in general and local economic conditions;
- reductions in the amount of and budget for longer term business travel and corporate executives requiring mid-term to long-term accommodation;
- the recurring need for renovation, refurbishment and improvement of serviced residences and rental housing properties;
- reductions in the number of overseas business travels by corporate executives, especially in Europe;
- availability of financing for operating or capital requirements; and

- other factors, including acts of terrorism, geopolitical tensions, natural disasters, extreme weather conditions, labour shortages and work stoppages or disputes.

The Group operates in an industry which may become intensely competitive, which may have a material adverse effect on its business.

The serviced residence and rental housing industry is competitive and may become increasingly so. Each of the Properties is located in an area that includes serviced residences and/or other types of accommodation such as hotels and guest houses owned and/or operated by third parties. The Group competes locally and regionally with existing serviced residences or rental housing properties and serviced residences or rental housing properties that may be developed in the future. An increase in the number of competitive serviced residences or rental housing properties in a particular area could have a material adverse effect on the occupancy rates and contribution to revenue generated by each of the Properties.

The Group may be adversely affected by the illiquidity of real estate investments.

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the ability of the Manager to manage the Group's portfolio in response to changes in economic or other conditions. This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the Group's ability to make expected returns. Moreover, the Group may face difficulties in securing timely and commercially favourable financing through asset-based lending transactions secured by real estate due to its illiquidity.

The Group may experience limited availability of funds.

The securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor reaction to developments in one country may have an adverse effect on the market price of securities of companies located in other countries. The slowdown of the global economy may adversely affect market prices in the world's securities markets. Financial markets in the United States, Europe and Asia have also, in the past, experienced extreme disruption including, among others, volatility in security prices, severely diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others.

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. Factors that could affect the Group's ability to procure financing include the cyclical nature of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. The U.S. Federal Reserve Chairman has recently announced that it expects to gradually raise its benchmark interest rates given the strengthening economy in the United States. Higher interest rates may make it more expensive to secure financing.

Ascott REIT faces risks associated with debt financing.

Ascott REIT is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet required payments of principal and interest under such financing, and to make distributions to Unitholders.

Ascott REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all. If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, Ascott REIT will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

Ascott REIT will also be subject to the risk that it may not be able to refinance its existing and/or future borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings. In addition, Ascott REIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and Ascott REIT's ability to make distributions to Unitholders. Such covenants may also restrict Ascott REIT's ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase.

The Group is subject to interest rate fluctuations.

As at 31 December 2016, the Group's debt amounted to approximately S\$1,877.0 million, of which approximately 18.0% is on a floating rate basis and the remainder is hedged with interest rate swaps or on a fixed rate basis. There is no certainty that Ascott REIT will not be affected by adverse movements in interest rates. Consequently, the interest cost to the Group for the floating interest rate debt will be subject to the risks of interest rate fluctuations.

As part of its active capital management strategies, the Group has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, its hedging policy may not adequately cover the Group's exposure to interest rate fluctuations. As a result, its operations and/or financial condition could potentially be adversely affected by interest rate fluctuations.

The Group may be involved in legal and/or other proceedings arising from its operations from time to time.

The Group may be involved from time to time in disputes with various parties involved in the operation, renovation and lease of the Properties such as contractors, subcontractors, suppliers, construction companies, purchasers and tenants. These disputes may lead to legal or other proceedings, and may cause the Group to incur additional costs and delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that would result in financial losses and cause delay to the construction or completion of its projects.

The Manager is a wholly owned subsidiary of TAL. There may be potential conflicts of interest between Ascott REIT, the Manager and TAL.

TAL, its subsidiaries, related corporations and associates are engaged in the investment in, and the development and operation of, among other things, real estate and real estate related assets which are used, or predominantly used, as serviced residences and rental housing properties in Singapore and elsewhere. As at the Latest Practicable Date, TAL has an aggregate interest (direct and deemed) of approximately 44.16% of the total number of Units in issue and holds a 100.0% interest in the Manager.

TAL may exercise influence over the activities of the Group through the Manager. As a result, the strategy and activities of the Group may be influenced by the overall interests of TAL. Moreover, TAL may in the future sponsor, manage or invest in other real estate investment trusts or other vehicles which may also compete directly with the Group. There can be no assurance that conflicts of interest will not arise between the Group and TAL in the future, or that the Group's interests will not be subordinated to those of TAL whether in relation to the future acquisition of additional properties, acquisitions of property-related investments or competition for guests, in Singapore and elsewhere.

There is no assurance that the Group will be able to leverage on TAL's experience in the operation of serviced residences and rental housing properties.

In the event (a) that TAL decides to transfer or dispose of its Units and ceases to be a Controlling Unitholder¹ of Ascott REIT, or (b) of the expiry, and non-renewal, of the SR Management Agreements (as defined herein) in relation to the Properties, the Group may no longer be able to leverage on TAL's experience in the ownership and operation of serviced residences and rental housing properties, financial strength, market reach and network of contacts in the serviced residence sector to further its growth. Ascott REIT may, in addition, not be able to benefit from the range of corporate services which are available to owners of properties managed by TAL and its subsidiaries. This could have a material and adverse impact on the Group's results of operations and financial condition.

Ascott REIT operates substantially through Property Companies and its ability to make payments to Unitholders is dependent on the financial position of the Property Companies.

Ascott REIT operates substantially through companies incorporated to hold the Properties ("**Property Companies**") and relies on payments and other distributions from these Property Companies for its income and cash flows. In addition, save for the Properties in Singapore, all of the assets of Ascott REIT consist of shareholdings in holding companies of the Property Companies ("**Property Holding Companies**") and Somerset FG Pte. Ltd.

In order to make payments to Unitholders, the Trustee will rely on the receipt by Ascott REIT of dividends from these Property Companies to the Property Holding Companies. The ability of the Property Companies to make such payments may be restricted by, among other things, the Property Companies' respective businesses and financial positions, the availability of distributable profits, applicable laws and regulations (which may restrict the payment of dividends by the Property Companies) or the terms of agreements to which they are, or may become, a party to.

There can be no assurance that the Property Companies will have sufficient distributable or realised profits or surplus in any future period to pay dividends or make advances to Ascott REIT. The level of profit or surplus of each Property Company available for distribution by way of dividends to Ascott REIT may be affected by a number of factors, including:

- operating losses incurred by the Property Companies in any financial year;
- losses arising from a revaluation of any of the Properties following any diminution in value of any of the relevant Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the relevant Property Company may make distributions to Ascott REIT;
- accounting standards that require profits generated from investment properties to be net of depreciation;
- charges before such profits are distributed to Ascott REIT;
- changes in accounting standards, taxation regulations, corporation laws and regulations relating hereto; and
- insufficient cash flows received by the Property Companies from the Properties.

The occurrence of these or other factors that affect the ability of the Property Companies to pay dividends or other distributions to Ascott REIT would adversely affect the ability of the Trustee to make payments to the Unitholders.

¹ "**Controlling Unitholder**" means a person who (i) holds directly or indirectly, 15.0% or more of the nominal amount of Units; or (ii) in fact exercises control over Ascott REIT, as defined in the Listing Manual.

There is no assurance that the other joint venture partners of the Property Companies, which are not wholly owned, directly or indirectly, or the holding company of the Property Companies will co-operate on matters concerning these companies or honour all their obligations under these joint ventures.

Several of the Property Companies are not wholly owned, directly or indirectly, by the Trustee, as trustee of Ascott REIT. Accordingly, the Trustee does not have an unfettered discretion to deal with these Properties through the Property Companies as if these Properties are entirely, directly or indirectly, owned by it.

Under the relevant shareholders' agreements or joint venture agreements (as the case may be) relating to the above-mentioned Properties, certain matters such as making amendments to the joint venture agreements, changing the business or equity capital structure of the Property Companies, issuing of securities by the Property Companies, use of funds, capital borrowings and other credit activities and appointment of key personnel, may require a unanimous or a majority shareholders' approval of the relevant Property Companies being obtained.

As Ascott REIT does not own the entire interests in these Property Companies, there is no assurance that such unanimous/majority approval from the shareholders of the Property Companies can be obtained. The other shareholders of these Property Companies may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, certain matters relating to the Properties, such as those relating to the operation of the Properties and the level of dividends to be declared by the Property Companies, may not be carried out and this may adversely affect Ascott REIT's financial condition and results of operations.

In addition, if the other joint venture partners of the Property Companies or the holding company of the Property Companies are obliged to contribute additional capital or funds to the Property Companies, but lack financial resources at the relevant time to meet these obligations, necessary capital or funds required for development or operations may be delayed or cancelled. This adds to the uncertainty of such collaborations and may adversely affect Ascott REIT's financial condition and results of operations.

The Manager may not be able to implement its investment strategy for Ascott REIT or may change Ascott REIT's investment strategy.

There can be no assurance that the Manager will be able to continue to implement its principal investment strategy (including through acquisitions or investments from time to time) successfully or that it will be able to expand Ascott REIT's portfolio any further, or at any specified rate or to any specified size. While the Manager plans its acquisitions or investments based on the outlook and its understanding of the relevant property market and general economic situation, the Manager may not be able to make such acquisitions or investments on favourable terms or within a desired time frame or at all. Ascott REIT will be relying on external sources of funding to expand its portfolio, which may not be available on terms favourable to Ascott REIT. Even if Ascott REIT were able to successfully make additional property investments, there can be no assurance that Ascott REIT will achieve its intended return on such investments. Since the amount of debt that Ascott REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions will largely be dependent on Ascott REIT's ability to raise equity capital. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including serviced residence development companies, private investment funds and other real estate investment funds whose investment policy is also to invest in commercial properties. There can be no assurance that Ascott REIT will be able to compete effectively against such entities and execute its desired principal investment strategy successfully.

Ascott REIT's policies with respect to certain activities including investments and acquisitions will be determined by the Manager. While the Manager has stated its principal investment strategy, the Trust Deed gives the Manager wide powers of investing in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

If the Manager is unable to implement its principal investment strategy successfully, Ascott REIT's financial condition, prospects and results of operations may be adversely affected.

There is no assurance that the current rating given in respect of Ascott REIT by Moody's will be maintained or that the rating will not be reviewed, downgraded, suspended or withdrawn in the future.

Moody's has assigned a "Baa3" issuer rating in respect of Ascott REIT. The rating assigned by Moody's is based on the views of Moody's only. Future events could have a negative impact on the rating in respect of Ascott REIT and prospective investors should be aware that there is no assurance that the rating assigned will be maintained or that the rating would not be reviewed, downgraded, suspended or withdrawn as a result of future events or judgement on the part of Moody's.

Any rating changes that could occur may have a negative impact on the market value of the Units. A downgrade of the rating may lead to the Trustee being unable to obtain future credit on terms which are as favourable as those of its existing borrowings, resulting in loans at higher interest rates.

The amount Ascott REIT may borrow is limited, which may affect the operations of Ascott REIT.

The Property Funds Appendix provides that the aggregate leverage of a REIT should not exceed 45.0% of its deposited property.

As at 31 December 2016, Ascott REIT's outstanding borrowings (excluding interest) were approximately S\$1,877.0 million, including both bank loans and the outstanding medium term notes issued under its existing medium term note programme. As at 31 December 2016, Ascott REIT's gearing was 39.8%, which is within the 45.0% gearing limit allowed by the Authority under the Property Funds Appendix for property trusts in Singapore. A decline in the value of the Deposited Property may also cause the borrowing limit to be exceeded, thus affecting Ascott REIT's ability to make further borrowings.

Ascott REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that Ascott REIT decides to incur additional borrowings in the future, Ascott REIT may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements of Ascott REIT's existing asset portfolio or for future acquisitions to expand its portfolio;
- a decline in the value of the Deposited Property may also cause the borrowing limit to be exceeded, thus affecting Ascott REIT's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which Ascott REIT might otherwise be able to resolve by borrowing funds.

The Group depends on certain key personnel, and the loss of any key personnel may adversely affect its operations.

The Group's operations depend, in part, upon the continued service and performance of members of the Manager's senior management team and certain key senior personnel. These key personnel may in future leave the Manager and compete with the Manager and the Group. The loss of any of these

individuals, or of one or more of the Manager's other key employees could have a material adverse effect on the Group's financial condition and results of operations.

Fluctuations in exchange rates may adversely affect the Group's reported financial results.

The Group's current portfolio of Properties is located across eight countries in the Pan-Asian Region, namely Singapore, China, Indonesia, Japan, Malaysia, the Philippines, Vietnam and Australia, five countries in Europe, namely France, United Kingdom, Belgium, Germany and Spain and the United States. Accordingly, because of the geographic diversity of the Group's portfolio of Properties, the Group receives income in the local currencies where its Properties are located at the then applicable exchange rates. As a result, the Group is exposed to fluctuations in foreign currency exchange rates against the Singapore dollar. Such fluctuations can cause fluctuations in the Group's results of operations and could have a material adverse effect on the Group's reported financial results. A weakening of foreign currencies against the Singapore dollar may also result in an increase in Ascott REIT's Aggregate Leverage due to the reduced asset value as a result of the weaker currency and a decline in the Group's NAV.

Ascott REIT may engage in hedging transactions. Such hedging transactions may not be effective and can limit gains and increase exposure to losses. These hedging transactions could fail to protect, or could even adversely affect, Ascott REIT.

Ascott REIT has entered into some hedging transactions to partially mitigate the risk of interest rate fluctuations and manage the currency risks associated with cash flows generated by the Properties outside Singapore, although there can be no assurance as to the extent or efficacy of any such hedging arrangements. Hedging activities may not have the desired beneficial impact and involves risks and typically involves costs, including transaction costs, which may reduce overall returns. The Manager will regularly monitor the feasibility of engaging in such hedging transactions while taking into account the cost of such transactions. These costs will increase as the period covered by the hedging increases and during periods of rising and volatile interest rates and/or foreign exchange rates.

Interest rate hedging could fail to protect Ascott REIT or adversely affect Ascott REIT for reasons, *inter alia*, such as:

- available interest rate hedging may not correspond directly with the interest rate risk for which protections are sought;
- the party owing money in the hedging transaction may default on its own obligation to pay;
- the credit quality of the counterparty owning money on the hedge may deteriorate to such an extent that it impairs Ascott REIT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value.

Such changes, although unrealised, would reduce the NAV of Ascott REIT if it is due to downward adjustments.

Ascott REIT may be unable to comply with the terms and conditions of tax rulings and tax exemptions obtained, or such tax rulings or tax exemptions may be revoked or amended.

Ascott REIT has obtained various tax rulings and tax exemptions from the Inland Revenue Authority of Singapore (the "IRAS") and the Singapore Ministry of Finance (the "MOF"), including the tax transparency ruling and exemptions on foreign sourced income received in Singapore in respect of its overseas Properties. These tax rulings and tax exemptions are subject to stipulated terms and conditions based on the facts presented to the IRAS and the MOF at the time of such applications and include the requirement that Ascott REIT distribute at least 90.0% of its taxable income. There can be

no assurance that Ascott REIT will be able to comply with these terms and conditions on an ongoing basis or ensure that the facts presented to the IRAS or the MOF do not change over time. There can also be no assurance that the IRAS or the MOF will not review, amend or revoke the tax rulings and the tax exemptions, either in whole or in part, either arising from a change in the tax laws or their interpretations or a change in policy. Non-compliance with the terms and conditions imposed on Ascott REIT by the IRAS and the MOF may affect Ascott REIT's tax transparent status, its ability to distribute its taxable income free of tax deduction at source and may also cause Ascott REIT to pay income tax on its taxable income which may result in Ascott REIT facing liquidity constraints.

Ascott REIT does not own the trademarks used by the Properties.

Ascott REIT's operation of certain Properties relies on certain trademarks, including "Ascott", "Somerset" and "Citadines", in each case with the associated logos and other relevant trademarks.

Ascott International Management (2001) Pte Ltd ("AIM"), a wholly owned subsidiary of TAL, has registered the "Ascott" and "Somerset" trademarks under the laws of each jurisdiction where the applicable Properties are located. Pursuant to a licence agreement dated 6 March 2006 entered into by and between the Trustee and AIM, Ascott REIT has been granted a non-exclusive right to use and sub-licence to subsidiaries of Ascott REIT in connection with the business of Ascott REIT, the trademarks "Ascott", "Somerset" and associated logos as well as other trademarks owned by AIM and/or which AIM has the right and authority to licence as may be further agreed, in consideration of Ascott REIT paying a one-time nominal fee. The licence granted by AIM to Ascott REIT may be terminated in the event, inter alia, that the Manager ceases to be the manager of Ascott REIT or upon material breach of any of the provisions of the licence agreement.

In connection with the Properties in respect of which the "Citadines" trademarks are used, the relevant owners of such Properties have entered into licence agreements with Citadines SA (which owns the "Citadines" trademarks and/or their sub-licencees) for use of the "Citadines" trademarks.

Loss of the right to use the trademarks "Ascott", "Somerset" or "Citadines" or, in each case, the associated logos, and other relevant trademarks, may have a material adverse effect on Ascott REIT's reputation, goodwill, business, prospects and results of operations.

RISKS ASSOCIATED WITH THE PROPERTIES

Ascott REIT is exposed to risks associated with changes in applicable tax laws, changes in the application of treaty benefits under relevant double taxation agreements and tax treaties and cessation of preferential tax benefits for its Properties.

The income and gains derived by Ascott REIT, directly or indirectly, from its Properties may be exposed to various types of taxes in Singapore, Australia, China, Indonesia, Japan, Malaysia, the Philippines, Vietnam, various countries in Europe and the United States. These include, but are not limited to, income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets, and the level of taxation in each of these countries is subject to changes in law and regulations. Such changes, if any, may lead to an increase in tax rates or the introduction of new taxes. All of these factors may adversely affect Ascott REIT's financial condition and results of operations.

In addition, the application of treaty benefits under relevant double taxation agreements and tax treaties, such as the application of reduced withholding tax rates or preferential tax rates on interest and/or dividend income received by the relevant subsidiaries of Ascott REIT, may be subject to certain conditions. There can be no assurance that the relevant subsidiaries of Ascott REIT will, on an ongoing basis, be able to meet the requisite conditions to benefit from the reduced withholding tax rates or preferential tax rates provided under such double taxation agreements or tax treaties. Where reduced withholding tax rates or preferential tax rates are not applicable, this would reduce Ascott REIT's income.

The proportionate distributions received by Ascott REIT from Somerset Chancellor Court, Somerset Ho Chi Minh City and Somerset Grand Hanoi will be diluted in the future.

Somerset Chancellor Court is owned by Saigon Office and Serviced Apartment Company Limited, a 67.0% subsidiary of East Australia Trading Company (S) Pte Ltd (“**EATC(S)**”). Somerset Ho Chi Minh City is owned by Mekong-Hacota Joint Venture Company Limited (“**Mekong-Hacota**”), a 64.7% subsidiary of Ascott Residences Pte Ltd (“**Ascott Residences**”). Somerset Grand Hanoi is owned by Hanoi Tower Center Company Limited, a 76.0% subsidiary of Burton Engineering Pte Ltd (“**Burton Engineering**”). EATC(S), Ascott Residences and Burton Engineering (together the “**Vietnam Property Holding Companies**”) are wholly owned by the Trustee, as trustee of Ascott REIT. The remaining shareholding interests in Saigon Office and Serviced Apartment Company Limited, Mekong-Hacota and Hanoi Tower Center Company Limited (together, the “**Vietnam Property Companies**”) are owned by unrelated third parties. Ascott REIT’s interests in the Vietnam Property Companies are held under the terms of a joint venture arrangement (each a “**Vietnam Properties JVA**”) with each of these unrelated third parties.

Under the terms of the Vietnam Properties JVAs, the net profits of each of the Vietnam Property Companies, after the fulfilment of certain statutory financial obligations and the payment of other amounts due, are to be distributed to the shareholders of Vietnam Property Companies in certain proportions during different periods in accordance with the terms of the relevant Vietnam Properties JVA and/or the applicable investment licence under which the Vietnam Property Companies operate.

In relation to EATC(S), Ascott REIT is entitled to 67.0% of the distributed profits during the period for which loan capital injected by Ascott REIT and interest is outstanding thereon. Ascott REIT’s entitlement to the distributed profits will fall to 60.0% following the repayment of loan capital and interest and further decrease to 40.0% from the 31st to 48th year from the date of issue of the investment licence. In relation to Ascott Residences, Ascott REIT owns 64.7% of the legal capital in Mekong-Hacota. From the 19th year of the date of issue of the investment licence, the unrelated joint venture partner in Mekong-Hacota has a right to acquire approximately 0.9% of the legal capital in Mekong-Hacota every year until it owns 43.0% of the legal capital in Mekong-Hacota (in the 32nd year), whereupon the legal capital of Mekong-Hacota owned by Ascott Residences will have fallen to 57.0%. Consequently, the distributed profits that Ascott REIT is entitled to receive will decrease from the 19th year to the 32nd year. As at the Latest Practicable Date, more than 19 years has passed since the date of issuance of the investment licence, the unrelated joint venture partner has acquired additional legal capital of 4.3% in Mekong-Hacota. In relation to Burton Engineering, Ascott REIT is entitled to 76.0% of the distributed profits in the first 25 years after fulfilling all financial obligations to the Government of Vietnam and other obligations. From the 26th to 35th year, Ascott REIT is entitled to 70.0% of the distributed profits. From the 36th to the 45th year, Ascott REIT is entitled to 50.0% of the distributed profits.

The decreasing proportion of distributed profits that each of the Vietnam Property Holding Companies is entitled to for the duration of the relevant Vietnam Properties JVAs will adversely affect Ascott REIT’s financial condition and results of operations.

Where Ascott REIT only owns a portion of the strata lots of a subdivided development with common property, there is no assurance that the other subsidiary proprietors of such subdivided development will co-operate with Ascott REIT on matters concerning the common property of this subdivided development.

Ascott REIT owns, and may acquire, a portion (and not all) of the strata lots of a subdivided development with common property. All the subsidiary proprietors of such subdivided development, who constitute the management corporation of the subdivided development, jointly own the common property in the subdivided development as tenants-in-common in proportion to the share values attributable to their respective strata lots. If Ascott REIT does not own all of the total share value of strata lots comprising the subdivided development, it cannot deal with the common property in the subdivided development as if the subdivided development is entirely owned by it. The other subsidiary

proprietors of such subdivided development may vote against resolutions concerning the common property of such Properties and hence prevent such resolutions from being passed. If such resolutions are not passed, enhancement works involving the common property of the subdivided development cannot be carried out by the management corporation of the subdivided development. This may affect the ability of the subdivided development to attract guests which may adversely affect the results of operation and financial condition of Ascott REIT.

The President of the Republic of Singapore may, as head lessor, re-enter the Singapore Properties upon breach of terms and conditions of the State lease.

Citadines Mount Sophia Property Singapore is held under a registered State lease, with the President of the Republic of Singapore as head lessor. The Somerset Liang Court Property Singapore was leased under the registered State lease to the Urban Redevelopment Authority, which was subsequently sub-leased to Ascott REIT. The State lease contains terms and conditions commonly found in State leases in Singapore, including the lessor's right to re-enter the Singapore Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the lease.

The future market value of the Properties may differ from the valuations determined by independent valuers.

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions.

A valuer's determination of the appraised value of any property does not guarantee a sale of such property at its appraised value at present or in the future. The price at which Ascott REIT may sell any of the new properties acquired in the future may be lower than the price paid for that property.

In addition, there can be no assurance that there will be no downward revaluation of the Properties in the future. In addition, Ascott REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on Ascott REIT's financial results as revaluation losses will be charged to Ascott REIT's statements of total return in the financial years where there is a significant decrease in the valuation of any of the Properties. A downward revaluation of any of these properties may also result in an increase in Ascott REIT's Aggregate Leverage.

The due diligence exercise on the Properties, tenancies, building and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies.

The Manager believes that reasonable due diligence investigations with respect to the Properties were, and with respect to future acquisitions will be, conducted prior to their acquisition. However, there is no assurance that the Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair, maintenance expenses, the payment of damages or to other obligations to third parties) or be affected by breaches of laws and regulations.

Statutory or contractual representations, warranties and indemnities given by any seller of properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such defects or deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Ascott REIT's earnings and cash flows.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow.

Design, construction or other latent property or equipment defects in the Properties may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Ascott REIT's earnings and cash flows. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Properties age. The business and operation of the Properties may be disrupted as a result of asset enhancement works and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such asset enhancement works. In addition, statutory or contractual representations, warranties and indemnities given by any seller of real estate properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

The Group may suffer material losses in excess of insurance proceeds.

The Group maintains insurance policies for the Properties in line with general market practices and legal requirements. However, the Properties could suffer physical damage caused by fire or other causes or the Group may suffer public liability claims, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, the Group's insurance policies for the Properties cover acts of terrorism but do not cover acts of war or outbreak of contagious diseases. The Japanese properties within Ascott REIT's portfolio are not insured against earthquakes, save for the 18 rental housing properties in Tokyo managed under the Asyl Court, Gala, Joy City and Zesty brands. Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that Property. The Group would also remain liable for any debt or other financial obligation related to that Property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future. Such an event would adversely affect Ascott REIT's financial condition and results of operations.

Ascott REIT does not have legal title to certain Properties in France that are subject to finance leases.

Certain Properties in France, namely, Citadines Castellane Marseille, Citadines Austerlitz Paris, Citadines République Paris, Citadines Maine Montparnasse Paris, and Citadines Didot Montparnasse Paris (the Relevant France Properties), are subject to finance leases, entered into with two third party finance companies, namely, Genefim SA and Antin Bail, which are related corporations of Société Générale and BNP Paribas respectively (the "**Finance Companies**"). Under French law, a finance lease is a contract by which a financing company that owns the property grants the lessee a long term lease on the property, with an option to purchase the property at the end of the term. The Finance Companies remain the owner of the Relevant France Properties during the term of the lease and the lessee only has an occupancy right, with an option to become the owner at the end of the term. Ascott REIT accordingly does not have legal title to the Relevant France Properties that are subject to finance leases and would thus not have the usual rights and benefits of a property owner, including the right to retain the fixtures added during the term of the lease, right to deal with or sublet the property freely and the benefit of any builders' guarantee and warranty in relation to the Relevant France Properties. In addition, should Ascott REIT be in breach of any terms or conditions of the relevant finance lease or if payment is not promptly made in relation to the relevant finance lease, that relevant finance lease may be terminated. In the event where the relevant Finance Company is in liquidation and it is necessary for the liquidation proceedings that the lease be terminated and where such termination would not prejudice the lessee, the relevant finance lease may be terminated. In the event of such termination, Ascott REIT's financial condition and results of operations may be adversely affected.

Any breach by (a) the master lessees of a Property (each a “Master Lessee”) of its obligations under their respective master leases (each a “Master Lease”) or (b) the SR Management Companies and TAL of their obligations under the SR Management Agreements may have an adverse effect on Ascott REIT.

Some of Ascott REIT’s Properties, such as the properties located in France, Germany, Singapore, Japan and Australia, are under Master Lease arrangements with Master Lessees. Net rental payments in respect of such properties will depend on the ability of the Master Lessees to make rental payments. A downturn in the business of the Master Lessees may weaken their financial condition and result in the Master Lessees’ failure to make timely rental payments or default under the Master Leases. Any non-payment of rent by the Master Lessees or failure by TAL to pay and satisfy the Trustee and/or the master lessor (the “**Master Lessor**”) of outstanding sums which are due to the Master Lessor under the Master Leases, may have an adverse effect on the financial condition of Ascott REIT and its level of distributable income. In addition, any failure by the subsidiaries of TAL appointed to operate, maintain, manage and market the serviced apartment units in some of the Properties (the “**SR Management Companies**”) to pay the relevant Property Holding Companies the minimum guaranteed income pursuant to separate serviced residence management agreements executed for each of the Properties between the SR Management Companies and Ascott REIT (together, the “**SR Management Agreements**”), or failure by TAL to pay and satisfy the Trustee and/or the relevant Property Holding Companies of outstanding sums owing by the SR Management Companies to the relevant Property Holding Companies, may have an adverse effect on the financial condition of Ascott REIT and its level of distributable income.

Failure by the Master Lessees to maintain the relevant Properties in a good state of tenable repair and condition could have an adverse impact on the physical condition of the relevant Properties, rendering them unattractive to existing end-users and potential end-users. The performance of the Master Lessees’ other businesses could also have an impact on their ability to make rental payments to Ascott REIT. Factors that affect the ability of the Master Lessees to meet their obligations include, but are not limited to, their financial position and the local economies in which they have business operations.

The Master Lessees may not renew a number of the Master Leases.

There is no assurance that the Master Lessee(s) will renew their respective Master Lease(s) upon the expiry of the term of such Master Lease(s).

If a Master Lease expires or is terminated, Ascott REIT may not be able to find a suitable purchaser or a suitable replacement master lessee or tenant, as a result of which Ascott REIT may lose the source of revenue from the Property. In any event, it may not be possible to replace the relevant Master Lessee immediately upon the termination of the Master Lease and this may lead to temporary vacancy of the Property. The failure to renew or termination of any of these Master Leases may have an adverse effect on the financial condition of Ascott REIT and its level of distributable income.

RISKS RELATING TO THE COUNTRIES IN WHICH THE PROPERTIES ARE LOCATED

The Group is subject to risks relating to the economic, political, legal, fiscal or social environments of the countries in which the Properties are located.

The Group is subject to risks associated with countries where certain Properties are located and which have at various times in the past, been adversely affected by volatile economic, political and social conditions. The business, prospects, profitability and asset values of the Properties may be materially and adversely affected by factors such as, among other things:

- unexpected changes in laws and regulations and uncertainty in connection with the application and/or implementation of existing laws and regulations;
- the ability of the Manager to deal with multiple and diverse regulatory regimes;

- potentially adverse tax consequences;
- potentially adverse new governmental regulations including but not limited to safety norms and environment;
- uncertain protection for intellectual property rights;
- fluctuations in exchange rates between the Singapore dollar and the relevant foreign currency;
- the risk of nationalisation and expropriation of the Group's assets;
- imposition or tightening of foreign exchange controls or restrictions on repatriation of dividends or profits;
- social unrest or political instability; and
- adverse economic, political and other conditions.

In particular, the interpretation or application of laws and regulations in the countries in which the Properties are located may be uncertain and subject to rapid and unforeseen changes. The Group or the Manager has no control over such conditions and developments and cannot provide any assurance that such conditions and developments will not have a material adverse effect on the operations, financial condition and results of operations of the Properties.

The gross revenue earned from, and the value of, the Properties may be adversely affected by a number of factors.

The gross revenue earned from, and the value of, the Properties may be adversely affected by a number of factors, including, among other things:

- a general downturn of the economy affecting occupancy and rental rates;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, serviced residences or rental housing properties, changes in market rental rates and operating expenses for the Group's Properties);
- competition for occupants from other properties which may affect rental levels or occupancy levels of the Group's Properties;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes, government charges and environmental issues, which may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance;
- legislative actions, such as the enactment of revisions to the laws relating to building standards, town planning, condemnation and redevelopment, which may affect or restrict rights related to relevant Properties in the Group's portfolio; and
- acts of God, natural disasters, earthquakes, volcanic eruptions, floods, wars, military coups, terrorist attacks, riots, outbreaks of infectious diseases, civil unrest and other events beyond the control of the Group and/or the Manager (such as the spread of severe acute respiratory syndrome or other communicable diseases).

The Properties or part thereof may be acquired compulsorily.

The Properties or the land on which the properties therein are located in and outside of Singapore may be compulsorily acquired by the respective governments of the countries in which they are located for, among other things, public use or public interest.

In the event the Properties or the land on which they are located are compulsorily acquired, the income of the Group may be adversely affected. The owner of a property within the Properties that is compulsorily acquired may be compensated in accordance with the laws of the respective jurisdiction. If the market value of the land (or part thereof) to be compulsorily acquired is greater than the compensation paid to the Group, the Group's business, financial condition and results of operations could be adversely affected.

Potential liability for environmental problems could result in substantial costs.

Ascott REIT is subject to a variety of laws and regulations in countries in which the Properties are located concerning the protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. For example, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard to whether the owner or operator knows of, or is responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Ascott REIT has not provided for such potential obligations in its consolidated financial statements. Environmental laws and regulations may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports and investigations with respect to any of the Properties may not reveal all environmental liabilities, whether previous or current owners or operators of such Properties had created any material environmental condition not known to them or whether a material environmental condition exists in any one or more of these properties. There also exists the risk that material environmental conditions, liabilities, or compliance concerns may have arisen or may arise in the future. Future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

Ascott REIT cannot provide assurance that more stringent requirements for environmental protection will not be imposed by the relevant governmental authorities in the future. If Ascott REIT fails to comply with existing or future environmental laws and regulations in the jurisdictions of the Properties, or fails to meet societal expectations with regard to environmental issues, Ascott REIT may suffer damage to its reputation or may be required to pay penalties or fines or take remedial actions, any of which could have a material adverse effect on its financial condition, results of operations and prospects.

RISKS ASSOCIATED WITH THE RIGHTS ISSUE

An active trading market may not develop for the Rights Entitlements and, if a market does develop, the Rights Entitlements may be subject to greater price volatility than the Unit.

A trading period for the Rights Entitlements has been fixed for 17 March 2017 to 27 March 2017. There is no assurance that an active trading market for the Rights Entitlements on the SGX-ST will develop during the Rights Entitlements trading period or that any over-the-counter trading market in the Rights Entitlements will develop. Even if active markets develop, the trading price of the Rights Entitlements, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sales of the Rights Entitlements of the Ineligible Unitholders, the sales may give pressure to the trading price of the Rights Entitlements. In addition, the market price of the Rights Entitlements may not reflect their actual value.

Unitholders who do not or are not able to accept their provisional allotments of Rights Units will experience a dilution in their interest in Ascott REIT.

If Unitholders do not or are not able to accept their provisional allotments of Rights Units, their proportionate interest in Ascott REIT will be reduced. They may also experience a dilution in the value

of their Units. Even if a Unitholder sells his Rights Entitlements, or such Rights Entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in Ascott REIT as a result of the Rights Issue.

Resales of the Rights Units and the Rights Entitlements in the U.S. are subject to restrictions.

The offering and delivery of the Rights Units and the Rights Entitlements in the U.S. is being made to certain Eligible QIBs in reliance on one or more exemptions from the registration requirements of the Securities Act in Section 4(a)(2) thereof. None of the Rights Entitlements or the Rights Units has been, or will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. Accordingly, investors acquiring the Rights Entitlements or the Rights Units in the Rights Issue should note that the Rights Units and the Rights Entitlements may only be resold or transferred in the U.S. pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Rights Units and the Rights Entitlements cannot be freely resold in the United States.

The offering and delivery of the Rights Units and the Rights Entitlements, and the offering and acquisition of the Rights Units and the Rights Entitlements in the U.S. to and by certain persons reasonably believed to be Eligible QIBs, is being made in reliance on an exemption from the registration requirements of the Securities Act. None of the Rights Units or the Rights Entitlements has been, or will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S.. Accordingly, investors who are Eligible QIBs and who are acquiring the Rights Units or the Rights Entitlements in the Rights Issue pursuant to an exemption from the registration requirements of the Securities Act, should note that the Rights Units and the Rights Entitlements may not be freely resold or transferred in the U.S.. The Rights Units and the Rights Entitlements may only be resold, renounced, pledged, or otherwise transferred or delivered (as applicable) in an offshore transaction in accordance with Rule 904 of Regulation S, and in accordance with any applicable securities laws of the U.S. and of any state of the U.S..

The Issue Price of the Rights Units is not an indication of the underlying value of the Units.

The Issue Price of the Rights Units was determined based on the last traded price of the Units on the SGX-ST on 6 March 2017, being the last trading day of the Units on the SGX-ST prior to the release of the announcement of the Rights Issue on 6 March 2017. The Issue Price was set at a discount to the Closing Price and to the TERP at that time. The Issue Price does not bear a direct relationship to the book value of Ascott REIT's assets, past operations, cash flow, earnings, financial condition or any other established criteria for value, and Unitholders should not consider the Issue Price to be any indication of the Units' underlying value. The Units may trade at prices lower than the Issue Price in the future.

The Rights Issue may cause the price of the Units to decrease, and this decrease may continue.

The Issue Price of the Rights Units represents a discount of (i) approximately 21.5% to the Closing Price of S\$1.17 per Unit, (ii) approximately 25.9% to Ascott REIT's pro forma NAV per Unit of S\$1.24 and (iii) approximately 17.5% to the TERP of S\$1.114 per Unit. This discount, along with the number of Rights Units, may result in a decrease in the trading price of the Units and this decrease may continue after the completion of the Rights Issue.

Unitholders need to act promptly and follow subscription instructions, otherwise their exercise of Rights Entitlements may be rejected and their Rights Entitlements may expire without value and without any compensation.

Unitholders who desire to accept their Rights Entitlements or apply for excess Rights Units in the Rights Issue must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the respective expiration dates and times as set forth under

Appendix C and in **Appendix D** of this Offer Information Statement. Failure to complete and sign the required acceptance forms or letters, the sending of an incorrect payment amount, or otherwise failure to follow the procedures that apply to a Unitholder's desired transaction may lead to rejection of the Unitholder's acceptance of the Rights Entitlements and any Rights Entitlements not accepted will expire without value and without any compensation.

None of the Manager, the Unit Registrar, CDP, or the Joint Lead Managers and Underwriters undertakes to contact the Unitholder concerning, or attempt to correct, an incomplete or incorrect acceptance form, letter or payment. The Manager has sole discretion to determine whether an acceptance of Rights Entitlements and acceptance of or subscription for Rights Units properly follows the appropriate procedures. Unitholders who hold Units through a securities sub-account, brokerage account or other similar custodial account with a depository agent, broker, custodian or nominee other than CDP are urged to consult their depository agent, broker, custodian or nominee without delay regarding the procedures that they need to follow for the subscription and payment for the Rights Units.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE UNITS

The trading price of the Units has been, and may continue to be, volatile.

The trading price of the Units has been, and may continue to be, subject to large fluctuations. The trading price of the Units may increase or decrease in response to a number of events and factors, including:

- quarterly variations in operating results;
- changes in estimates and recommendations by securities analysts;
- the operating and stock price performance of companies in the real estate industry and other REITs;
- developments affecting Ascott REIT, its tenants or its competitors;
- valuations of the properties held by Ascott REIT;
- changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- changes in general economic conditions; and
- other events or factors described in this Offer Information Statement.

This volatility may adversely affect the trading price of the Units, including the Rights Units to be allotted and issued by the Manager, regardless of Ascott REIT's operating performance.

A fall in the price of the Units could have a material adverse impact on the value of the Rights Units. There can be no assurance that investors will be able to sell the Rights Units at a price equal to or greater than the Issue Price of the Rights Units. Accordingly, holders of the Units who are existing Unitholders or have acquired Rights Entitlements in the secondary market and/or subscribed to the Rights Units, whether existing Unitholders or not, may suffer a loss.

Investors may experience future dilution in the value of their Units.

The Manager may need to raise additional funds in the future to finance the repayment of borrowings, expansion of new developments relating to Ascott REIT's existing operations and/or to finance future investments and acquisitions. If additional funds are raised through the issuance by the Manager of new Units other than on a pro rata basis to existing Unitholders, the percentage ownership of existing Unitholders may be reduced and existing Unitholders may experience dilution in the value of their Units.

Ascott REIT may not be able to make distributions or the level of distributions may fall.

The income which Ascott REIT earns from its real estate investments depends on, among other things, its debt-servicing requirements, the amount of rental income received, and the level of property expenses and operating expenses incurred. If the properties held by Ascott REIT do not generate sufficient income, its cash flow and ability to make distributions will be adversely affected. There can be no assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the leases of the properties held by Ascott REIT or that the receipt of rental revenue in connection with any enhancement of the properties held by Ascott REIT or future acquisitions of properties will increase Ascott REIT's income available for distribution to Unitholders.

The Singapore Code on Take-overs and Mergers may discourage or prevent certain types of transactions.

The SFA and the Singapore Code on Take-overs and Mergers contains certain provisions that may delay, deter or prevent a future take-over or change in control of Ascott REIT. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in:

- (i) 30.0% or more of the total Units; or
- (ii) when holding not less than 30.0% but not more than 50.0% of the total Units, more than 1.0% of the total Units in any six-month period,

will be required to make a general offer for the remaining Units. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of Ascott REIT. Some of the Unitholders may, therefore, be disadvantaged as a transaction of that kind might have allowed the sale of Units at a price above the prevailing market price.

GENERAL INFORMATION

LEGAL AND ARBITRATION PROCEEDINGS

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of Ascott REIT.

MATERIAL CONTRACTS

There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in Ascott REIT's ordinary course of business, for the period of two years before the date of lodgement of this Offer Information Statement, save for:

- (i) the Management and Underwriting Agreement dated 6 March 2017 entered into between the Manager and the Joint Lead Managers and Underwriters in relation to the Rights Issue;
- (ii) the TAL Irrevocable Undertaking dated 6 March 2017 provided by TAL to the Manager and the Joint Lead Managers and Underwriters pursuant to which TAL will accept, and will procure that the Relevant Entities accept, and/or procure one or more of its existing subsidiaries and/or new subsidiaries set up by it to hold Units, to subscribe and pay in full for, the Relevant Entities' total provisional allotment of Rights Units;
- (iii) the placement agreement dated 14 March 2016 entered into between the Manager and Morgan Stanley Asia (Singapore) Pte. in relation to a placement of 94,787,000 new Units to institutional and other investors;
- (iv) the Subscription Agreement dated 23 June 2015 entered into between the Trustee and Oversea-Chinese Banking Corporation Limited in relation to the issuance of the S\$250 million Perpetual Securities; and
- (v) the Fiscal Agency Agreement dated 30 June 2015 entered into between the Trustee and Deutsche Bank A.G., Singapore Branch in relation to the S\$250 million Perpetual Securities.

BREACH OF TERMS AND CONDITIONS OR COVENANTS OF CREDIT ARRANGEMENT OR BANK LOAN

To the best of the Manager's knowledge and belief, Ascott REIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect Ascott REIT's financial position and results or business operations, or the investments by Unitholders.

SIGNIFICANT CHANGES

Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 31 December 2016, being the last day of the period covered by the 2016 Audited Financial Statements, to the Latest Practicable Date, which may have a material effect on the financial position and results of Ascott REIT.

TRADING OF UNITS

The Manager is not aware of any significant trading suspension on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

The Manager believes that Units are regularly traded on the SGX-ST.

STATEMENT BY EXPERTS

The valuations of the German Properties as at 15 January 2017 as set out in the Summary Valuation Certificates in **Appendix F** of this Offer Information Statement were prepared by the Independent Valuers for the purpose of, amongst others, inclusion in this Offer Information Statement. Each of the Independent Valuers has given and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name as an Independent Valuer, its Summary Valuation Certificates and all references thereto in the form and context in which they are included in this Offer Information Statement.

CONSENTS FROM THE JOINT LEAD MANAGERS AND UNDERWRITERS

Each of BNP Paribas, acting through its Singapore branch and DBS Bank Ltd. has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as a Joint Lead Manager and Underwriter to the Rights Issue.

AUTHORITY TO ISSUE RIGHTS UNITS

The Manager's authority to issue the Rights Units is pursuant to the General Mandate that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 14 April 2016.

MISCELLANEOUS

Ascott REIT is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be found on the website of the Authority at <http://www.mas.gov.sg>.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, the operations or financial position or results of Ascott REIT or investments by Unitholders.

Statements contained in this Offer Information Statement which do not state historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. See the section entitled "Risk Factors" of this Offer Information Statement for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

Other than the Rights Entitlements under the Rights Issue, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Unitholders to Participate in the Rights Issue" of this Offer Information Statement for further information.

GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

2013 Rights Issue	: The underwritten and renounceable rights issue of 253,749,218 rights units at an issue price of S\$1.00 for each rights unit, on the basis of one rights unit for every five existing units held by eligible unitholders, launched on 4 November 2013
2014 Audited Financial Statements	: The audited financial statements of Ascott REIT for the financial year ended 31 December 2014
2015 Audited Financial Statements	: The audited financial statements of Ascott REIT for the financial year ended 31 December 2015
2016 Audited Financial Statements	: The audited financial statements of Ascott REIT for the financial year ended 31 December 2016
2016 Private Placement	: The offer and placement of 94,787,000 Units to investors at S\$1.055 per Unit
S\$150 million Perpetual Securities	The S\$150,000,000 in aggregate principal amount of fixed rate perpetual securities to be issued by the Trustee conferring a right to receive distribution payments at a rate of 5.0% per annum with the first distribution rate reset falling on 27 October 2019 and subsequent resets occurring every five years thereafter
S\$250 million Perpetual Securities	: The S\$250,000,000 in aggregate principal amount of fixed rate perpetual securities issued by the Trustee conferring a right to receive distribution payments at a rate of 4.68% per annum with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter issued on 30 June 2015
Acquisitions	: The AOS Acquisition and the German Acquisitions
Aggregate Leverage	: The ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property
AIM	: Ascott International Management (2001) Pte Ltd, a wholly owned subsidiary of TAL
AOS Acquisition	: The acquisition of Ascott Orchard Singapore by Ascott REIT from the AOS Vendor
AOS Master Lease	: The master lease in respect of Ascott Orchard Singapore
AOS Master Lease Agreement	: The agreement which the Trustee will enter into with the AOS Master Lessee pursuant to which the AOS Master Lessee will grant the AOS Master Lease
AOS Master Lessee	: TAL and/or its subsidiary
AOS Vendor	: CH Commercial Pte. Ltd. and CH Residential Pte. Ltd.
Apartment Unit	: An available apartment unit for lease or licence, as the case may be, in the Properties

ARE	: The application and acceptance form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue
ARS	: The application and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system
Ascott Orchard Singapore or AOS	: The serviced residence located on lot number 1381L and 1382C of Town Subdivision 27, at the address of 11 Cairnhill Road, Singapore 229724 and 22 Bideford Road, Singapore 229923, within the Cairnhill Development, which is the subject of the AOS Acquisition
AOS Master Lease Ascott REIT	: The master lease in respect of Ascott Orchard Singapore : Ascott Residence Trust, a unit trust constituted in the Republic of Singapore pursuant to the Trust Deed
Ascott Residences	: Ascott Residences Pte Ltd
ATM	: Automated teller machine
Authority	: Monetary Authority of Singapore
Board	: The board of Directors of the Manager
Burton Engineering	: Burton Engineering Pte Ltd
Cairnhill Development	: The site at lot number 918K of Town Subdivision 27, on which Somerset Grand Cairnhill Property was located, which has been redeveloped into an integrated development which includes, among other components, Ascott Orchard Singapore and residential units for sale
CDP	: The Central Depository (Pte) Limited
Circular	: The circular to Unitholders dated 8 March 2017 issued by Ascott REIT for the purpose of seeking the approval of Unitholders of the German Acquisitions (including the entry into the German Master Lease Agreements)
Citadines City Centre Frankfurt Property	: Citadines City Centre Frankfurt, a serviced residence property located at Europa-Allee 23, 60327 Frankfurt am Main, Germany
Citadines Michel Hamburg Property	: Citadines Michel Hamburg, a serviced residence property located at Ludwig-Erhard-Straße 7, 20459 Hamburg, Germany
CL	: CapitaLand Limited
Closing Date	: (i) 31 March 2017 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through CDP); or (ii) 31 March 2017 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the

renouncees (if acceptance is made through an ATM of a Participating Bank)

Closing Price	: The closing price of S\$1.17 per Unit on the SGX-ST on 6 March 2017, being the last trading day of the Units prior to the announcement of the Rights Issue
Companies Act	: The Companies Act, Chapter 50 of Singapore
Completion	: Completion of the AOS Acquisition which is expected to take place in 2017 on issuance of the Subsidiary Strata Certificates of Title
Controlling Unitholder	: A person who (i) holds directly or indirectly, 15.0% or more of the nominal amount of Units; or (ii) in fact exercises control over Ascott REIT, as defined in the Listing Manual
CPF	: Central Provident Fund
CPF Board	: Central Provident Fund Board
CPF Funds	: CPF Investible Savings
CPFIS	: CPF Investment Scheme
Deposited Property	: All the assets of Ascott REIT for the time being held or deemed to be held upon the trusts of the Trust Deed
Directors	: The directors of the Manager
Divestment	: The divestment of the Somerset Grand Cairnhill Property by Ascott REIT to TAL and/or its affiliates
DPU	: Distribution per Unit
EATC(S)	: East Australia Trading Company (S) Pte Ltd
EGM	: Extraordinary general meeting
Electronic Application	: Acceptance of the Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
Eligible Depositors	: Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore
Eligible QIBs	: QIBs (a) whose identities have been agreed upon by the Manager and the Joint Lead Managers and Underwriters, (b) who have each provided the Manager with a signed Investor Representation Letter (in the form attached hereto as Appendix B of this Offer Information Statement) and (c) who are Eligible Depositors
Eligible Unitholders	: Eligible Depositors and Eligible QIBs

Enterprise Value	: Pursuant to Clause 15.2.1(i) of the Trust Deed, the sum of the equity value and the total net debt attributable to the shares being acquired by Ascott REIT and where the asset acquired by Ascott REIT is a Real Estate, the value of the Real Estate. For purposes of the German Acquisitions, the Enterprise Value is calculated by adding the effective interest of 93% of the agreed property value of S\$102.0 million and the consolidated net current assets (which will be adjusted at completion) of S\$2.3 million.
Excess Rights Units	: The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renouncees of the Rights Entitlements or the purchasers of the Rights Entitlements
Existing Portfolio	: The portfolio of properties currently held by Ascott REIT
Existing Units	: The existing Units as at the Rights Issue Books Closure Date
Finance Companies	: Genefim SA and Antin Bail, which are related corporations of Société Générale and BNP Paribas respectively
Financial Statements	: The 2014 Audited Financial Statements, the 2015 Audited Financial Statements and the 2016 Audited Financial Statements
Fixed Lease Rental	: The fixed lease rental amount as set out in the German Master Lease Agreements
Foreign Purchasers	: Persons whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system
Frankfurt SPA	: The conditional sale and purchase agreement entered into on 6 March 2017 between the German Purchaser and the German Vendor in relation to the acquisition of Citadines City Centre Frankfurt Property
FY2013	: The financial year ended 31 December 2013
FY2014	: The financial year ended 31 December 2014
FY2015	: The financial year ended 31 December 2015
FY2016	: The financial year ended 31 December 2016
General Mandate	: The general mandate that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 14 April 2016
German Acquisitions	: The proposed acquisition of the German Properties
German Master Lease Agreements	: The master lease agreements to be entered into between the German Property Holding Companies (as the master lessors of the German Properties) and the German Master Lessee to grant the German Master Leases
German Master Leases	: The master leases granted by the German Property Holding Companies to the German Master Lessee over each of the German Acquisitions

German Master Lessees	: Citadines Betriebs (Frankfurt) GmbH, an indirect wholly owned subsidiary of TAHL and Citadines Betriebs GmbH, an indirect wholly owned subsidiary of TAHL
German Properties	: The Citadines Michel Hamburg Property and the Citadines City Centre Frankfurt Property
German Property Holding Companies	: Citadines Hamburg Michel GmbH & Co., KG and Citadines Europaviertel (Frankfurt) GmbH & Co., KG
German Purchaser	: The Ascott (Europe) N.V.
German Vendor	: Ascott Holdings (Europe) N.V.
Group	: Ascott REIT and its subsidiaries
Hamburg SPA	: The conditional sale and purchase agreement entered into on 6 March 2017 between the German Purchaser and the German Vendor in relation to the acquisition of Citadines Michel Hamburg Property
Independent Valuers	: Cushman & Wakefield VHS Pte. Ltd. (appointed by the Trustee in relation to the valuation of the German Properties) and CBRE Pte. Ltd. (appointed by the Manager in relation to the valuation of the German Properties)
Ineligible Unitholders	: Unitholders who are neither Eligible Depositors nor Eligible QIBs
IRAS	: The Inland Revenue Authority of Singapore
Issue Price	: S\$0.919, being the issue price per Rights Unit
Joint Lead Managers and Underwriters	: BNP Paribas, acting through its Singapore branch and DBS Bank Ltd., as joint lead managers and underwriters for the Rights Issue
July 2014 Target Acquisitions	: Acquisitions of a serviced residence property in Malaysia, being Somerset Ampang Kuala Lumpur and two serviced residence properties in China, being Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an, in July 2014
June 2015 Target Acquisitions	: Acquisition of serviced properties in Australia and Japan and rental housing properties in Osaka, Japan in June 2015
Latest Practicable Date	: 7 March 2017, being the latest practicable date prior to the lodgement of this Offer Information Statement with the Authority
Listing Manual	: The Listing Manual of the SGX-ST
Management and Underwriting Agreement	: The management and underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 6 March 2017
Manager or ARTML	: Ascott Residence Trust Management Limited, as manager of Ascott REIT
Market Day	: Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
Master Lease	: The master lease over a Property

Master Lessee	: The master lessee of a Property
Master Lessor	: The master lessor of a Property
Mekong-Hacota	: Mekong-Hacota Joint Venture Company Limited
MOF	: The Singapore Ministry of Finance
NAV	: Net asset value
NOI	: The gross operating profit less the fixed lease rental as set out in the AOS Master Lease Agreement
Offer Information Statement	: This offer information statement to Unitholders dated 14 March 2017
Pan-Asian Region	: In the context of this Offer Information Statement, all countries in Asia and the Asia-Pacific region
Participating Banks	: The banks as set out in Appendix E of this Offer Information Statement
Properties	: The properties comprising Ascott REIT's portfolio
Property Companies	: The companies incorporated to hold some of the Properties
Property Funds Appendix	: Appendix 6 of the Code of Collective Investment Schemes issued by the Authority
Property Holding Companies	: The holding companies of the Property Companies
Prospectus	: The prospectus dated 6 March 2006 in connection with the listing of Ascott REIT on the SGX-ST
Purchase Consideration	: The purchase consideration for the AOS Acquisition, being S\$405.0 million
Purchaser	Purchasers and/or transferees of Rights Entitlements
QIB	: Qualified institutional buyer (as defined in Rule 144A under the Securities Act)
Real Estate	: As defined in the Trust Deed, means any land, and any interest, option or other right in or over any land. For the purposes of this definition, "land" includes land of any tenure, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein, and "Real Estate" includes shares and stocks in an unlisted company which is constituted to hold/own such real estate.
Relevant Entities	: Comprises the wholly owned subsidiaries of TAL which holds Units, being Ascott Residence Trust Management Limited and Somerset Capital Pte Ltd, or as the case may be, the nominees(s) or custodian(s) of TAL and/or such subsidiary
Relevant France Properties	: Certain Properties in France, namely, Citadines Castellane Marseille, Citadines Austerlitz Paris, Citadines République Paris, Citadines Montparnasse Paris, and Citadines Didot Montparnasse Paris

REVPAU	: Revenue per available unit in the Properties
Rights Entitlements	: The provisional allotments of Rights Units to Eligible Unitholders under the Rights Issue
Rights Issue	: The issue of new Units on a renounceable basis to Eligible Unitholders on the basis of the Rights Ratio at the Issue Price
Rights Issue Books Closure Date	: 5.00 p.m. on 14 March 2017 being the time and date on which the Transfer Books and Register of Unitholders are closed to determine the Rights Entitlements of Eligible Unitholders under the Rights Issue
Rights Ratio	: The rights ratio of 29 Rights Units for every 100 existing Units standing to the credit of an Eligible Unitholders' Securities Account as at the Rights Issue Books Closure Date
Rights Units	: The new Units to be issued by the Manager pursuant to the Rights Issue
SCPL	: Somerset Capital Pte Ltd
Securities Account	: A securities account maintained by a Depositor with CDP (but does not include securities sub-accounts)
Securities Act	: U.S. Securities Act of 1933, as amended
September 2015 Divestments	: Divestments of the trust beneficiary interest of six rental housing properties in Japan in September 2015
SFA	: Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	: Singapore Exchange Securities Trading Limited
Sheraton Tribeca Acquisition	: The acquisition of the hotel property known as Sheraton Tribeca New York Hotel located in New York, United States, the leasehold interest in the land of the hotel property expiring in 2112 and a sub-leasehold interest expiring in 2105
Somerset Grand Cairnhill Property	: The mixed development property (which includes the serviced residence units) at lot number 918K of Town Subdivision 27, at the address of 15 Cairnhill Road, Singapore 229650
SR Management Agreements	: The serviced residence management agreements between the SR Management Companies and Ascott REIT pursuant to which the SR Management Companies are appointed to operate, maintain, manage and market the serviced apartment units in some of the Properties
SR Management Companies	: The management companies currently engaged to manage some of the Properties, which are subsidiaries of TAL
SRS	: Supplementary Retirement Scheme
SRS Account	: An account opened by a participant in the SRS from which money may be withdrawn for, <i>inter alia</i> , payment of the Issue Price of the Rights Units and/or, excess Rights Units
Subscribing Entities	: Relevant Entities and/or one or more of the existing subsidiaries of TAL and/or new subsidiaries set up by TAL to hold Units

Substantial Unitholders	: Unitholders with interests in not less than 5.0% of all Units in issue
TAL	: The Ascott Limited
TAL Guarantee	: The guarantee to be entered into by TAL in favour of the Trustee upon entry into the German Master Leases by the relevant parties
TAL Initial Units	: The 733,514,003 Units (representing approximately 44.16% of the issued Units) which TAL, directly and through its wholly owned subsidiaries, Ascott Residence Trust Management Limited and Somerset Capital Pte Ltd, has interests in as at 6 March 2017
TAL Irrevocable Undertaking	: The irrevocable undertaking dated 6 March 2017 provided by TAL to the Manager and the Joint Lead Managers and Underwriters pursuant to which, among others, TAL will accept, procure that the Relevant Entities accept, and/or procure the Subscribing Entities to subscribe and pay in full for, the Relevant Entities' total provisional allotment of Rights Units (see the section titled "Summary—Commitment of TAL" for further details)
Temasek	: Temasek Holdings (Private) Limited
TERP	: The theoretical ex-rights price of S\$1.114 per Unit which is calculated as follows: $\text{TERP} = \frac{\text{Market capitalisation of Ascott REIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$
Transactions	: The Rights Issue, the AOS Acquisition, the AOS Master Lease, the German Acquisitions and the German Master Leases
Trust Deed	: The trust deed dated 19 January 2006 constituting Ascott REIT entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
Trustee	: DBS Trustee Limited, as trustee of Ascott REIT
U.S.	: United States
Unit	: A unit representing an undivided interest in Ascott REIT
Unit Registrar	: Boardroom Corporate & Advisory Services Pte. Ltd.
Unit Share Market	: The ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
Unitholder	: A holder of Units
Vietnam Properties JVA	: A joint venture arrangement with a third party unrelated to Ascott REIT under which Ascott REIT's interests in a Vietnam Property Company are held
Vietnam Property Companies	: Saigon Office and Serviced Apartment Company Limited, Mekong-Hacota and Hanoi Tower Center Company Limited
Vietnam Property Holding Companies	: EATC(S), Ascott Residences and Burton Engineering
%	: Per centum or percentage

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act. Any references to the Manager shall refer to it acting in its capacity as manager of Ascott REIT, unless the context of the statement otherwise requires.

Any reference in this Offer Information Statement, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any words defined in the Companies Act, the SFA, the Securities and Futures (Offer of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the Authority, the Property Funds Appendix, the Listing Manual or any modification thereof and used in this Offer Information Statement, the ARE or the ARS shall, where applicable, have the same meaning ascribed to it in the Companies Act, the SFA, the Securities and Futures (Offer of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the Authority, the Property Funds Appendix, the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

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CERTAIN FINANCIAL INFORMATION RELATING TO ASCOTT REIT

Selected financial data from the 2014 Audited Financial Statements, the 2015 Audited Financial Statements and the 2016 Audited Financial Statements including the line items in the statements of total return and distribution statements, consolidated balance sheets and cash flow statements of Ascott REIT, is set out in this Appendix. Financial data relating to (i) DPU, (ii) earnings per Unit, (iii) DPU after adjustment for the effects of the Transactions, (iv) earnings per Unit after adjustment for the effects of the Transactions, (v) NAV per Unit and (vi) NAV per Unit after adjustment to reflect the Transactions is also set out below.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Ascott REIT at <http://www.ascottreit.com> and are also available for inspection during normal business hours at the registered office of the Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained on the website of Ascott REIT does not constitute part of this Offer Information Statement.

¹ Prior appointment with the Manager will be appreciated.

Consolidated Statements of Total Return and Distribution Statements

	FY2016 S\$'000	FY2015 S\$'000	FY2014 S\$'000
Statements of Total Return			
Gross revenue	475,590	421,114	357,205
Direct expenses	(253,430)	(216,544)	(177,031)
Gross profit	222,160	204,570	180,174
Finance income	1,799	1,603	2,123
Other income	865	438	6,341
Audit fees	(2,486)	(2,365)	(2,211)
Finance costs	(50,045)	(49,856)	(43,341)
Manager's management fees	(22,178)	(19,820)	(17,210)
Professional fees	(2,739)	(2,249)	(2,787)
Trustee's fees	(476)	(436)	(384)
Foreign exchange gain / (loss)	4,068	(4,977)	(2,505)
Other operating expenses	(1,213)	(1,014)	(1,184)
Net income before share of results of associate	149,755	125,894	119,016
Share of results of associate (net of tax)	(6)	7	-
Net income	149,749	125,901	119,016
Net change in fair value of serviced residence properties and assets held for sale	29,987	84,318	63,030
Net change in fair value of financial derivatives	322	(675)	1,291
Net divestment gain	-	9,924	-
Assets written off	(543)	(3,717)	(16,022)
Total return for the year before income tax	179,515	215,751	167,315
Income tax expense	(31,751)	(36,761)	(36,943)
Total return for the year	147,764	178,990	130,372
Total return attributable to:			
Unitholders of the Trust/perpetual securities holders	143,312	165,183	122,468
Non-controlling interests	4,452	13,807	7,904
	147,764	178,990	130,372
Distribution Statements			
Total return for the year attributable to Unitholders	143,312	165,183	122,468
Less: Total return attributable to perpetual securities holders	(19,253)	(13,430)	(1,356)
Adjustment for net effect of non-tax deductible / chargeable items and other adjustments	10,932	(28,414)	4,512
Amount available for distribution to Unitholders	134,991	123,339	125,624
Distribution per Unit ("DPU") (cents)	8.27	7.99	8.20
Adjusted DPU (cents) ⁽¹⁾	-	6.02	6.17
DPU of pro forma financial effects after the AOS Acquisition, the German Acquisitions and the Rights Issue (cents) ⁽²⁾	7.43	-	-
Earnings per Unit (cents)			
-Basic	7.62	9.85	7.92
-Diluted	7.57	9.85	7.92
Adjusted Earnings per Unit (cents)			
-Basic and Diluted ⁽¹⁾	-	7.41	5.95
Pro Forma Earnings per Unit (cents)⁽²⁾			
-Basic	6.82	-	-
-Diluted	6.77	-	-

Notes:

(1) This has been restated to reflect the bonus element in the Rights Units and does not take into account the use of proceeds.

(2) Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 1 January 2016.

Consolidated Balance Sheets

	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000
Non-current assets		
Serviced residence properties	4,504,416	4,289,711
Plant and equipment	51,808	52,506
Associate	3,505	3,479
Deposits	-	20,250
Financial derivative assets	7,125	-
Deferred tax assets	5,891	3,983
	<u>4,572,745</u>	<u>4,369,929</u>
Current assets		
Inventories	201	296
Trade and other receivables	68,712	49,707
Assets held for sale	6,549	84,207
Cash and cash equivalents	143,074	220,467
	<u>218,536</u>	<u>354,677</u>
Total assets	<u>4,791,281</u>	<u>4,724,606</u>
Non-current liabilities		
Financial liabilities	1,715,659	1,556,773
Financial derivative liabilities	17,745	10,313
Deferred tax liabilities	94,078	88,851
	<u>1,827,482</u>	<u>1,655,937</u>
Current liabilities		
Trade and other payables	132,991	136,453
Financial liabilities	146,973	258,404
Financial derivative liabilities	104	1,222
Provision for taxation	1,468	4,014
	<u>281,536</u>	<u>400,093</u>
Total liabilities	<u>2,109,018</u>	<u>2,056,030</u>
Net assets	<u>2,682,263</u>	<u>2,668,576</u>
Represented by:		
Unitholders' funds	2,200,625	2,189,714
Perpetual securities holders	397,127	397,094
Non-controlling interests	84,511	81,768
	<u>2,682,263</u>	<u>2,668,576</u>
Units in issue ('000)	1,653,471	1,548,736
NAV per Unit (S\$)	1.33	1.41
Pro Forma⁽¹⁾		
Pro forma number of Units in issue ('000)	2,136,037	-
Pro forma NAV per Unit (S\$)	1.24	-

Note:

(1) Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 31 December 2016.

Consolidated Cash Flow Statements

	FY2016 S\$'000	FY2015 S\$'000
Cash flows from operating activities		
Total return for the year before income tax	179,515	215,751
Adjustments for:		
Depreciation of plant and equipment	12,941	16,634
Operating lease expense recognised on a straight-line basis	3,208	-
Finance costs	50,045	49,586
Finance income	(1,799)	(1,603)
Foreign exchange loss—unrealised	4,844	10,671
(Gain) / loss on disposal of plant and equipment	(86)	81
Manager's management fees paid / payable in Units	15,892	14,768
Net change in fair value of serviced residence properties and assets held for sale	(29,987)	(84,318)
Net change in fair value of financial derivatives	(322)	675
Profit from divestments	-	(9,924)
Assets written off	543	3,717
Impairment loss / write-off of trade and other receivables	283	22
Share of results of associate (net of tax)	6	(7)
Operating income before working capital changes	235,083	216,323
Changes in working capital:		
Inventories	95	14
Trade and other receivables	617	(13,762)
Trade and other payables	(13,159)	(1,024)
Cash generated from operations	222,636	201,551
Income tax paid	(22,510)	(24,058)
Net cash from operating activities	200,126	177,493
Cash flows from investing activities		
Acquisition of serviced residence properties, net of cash acquired	(214,046)	(418,835)
Capital expenditure on serviced residence properties	(40,670)	(35,235)
Proceeds from disposal of assets held for sale	74,512	9,054
Proceeds from divestment of serviced residence properties	-	58,137
Interest received	1,799	1,603
Proceeds from sale of plant and equipment	291	154
Purchase of plant and equipment	(16,694)	(11,546)
Net cash used in investing activities	(194,808)	(396,668)
Cash flows from financing activities		
Distributions to Unitholders	(126,458)	(124,711)
Distributions to perpetual securities holders	(19,253)	(13,366)
Dividends paid to non-controlling interests	(4,345)	(3,382)
Interest paid	(49,272)	(48,628)
Payments for acquisition of ownership interests in subsidiaries with no change in control	-	(31,552)
Payment of finance lease	(2,954)	(2,799)
Proceeds from borrowings	689,283	450,702
Proceeds from issue of medium term notes	120,000	280,672
Proceeds from issue of perpetual securities	-	250,000
Payment of transaction costs on issue of perpetual securities	(17)	(2,774)
Proceeds from issue of new Units	100,000	-
Payment of issue expenses on issue of new Units	(922)	-
Repayment of borrowings	(790,301)	(360,735)
Repayment of medium term notes	-	(150,000)
Net cash (used in) / from financing activities	(84,239)	243,427
Net (decrease) / increase in cash and cash equivalents	(78,921)	24,252
Cash and cash equivalents at beginning of the year	220,467	192,556
Effect of foreign exchange rate changes on cash balances	1,528	3,659
Cash and cash equivalents at end of the year	143,074	220,467

FORM OF QIB INVESTOR REPRESENTATION LETTER

Important Note to QIBs:

Please return a duly signed investor representation letter to Ascott Residence Trust Management Limited (as manager of Ascott Residence Trust) by mail, fax or e-mail so as to reach the Manager on or before 5:00 PM (Singapore time) on 31 March 2017. For existing unitholders, please also forward a copy of the signed investor representation letter to your depository agent (including nominee, custodian or other financial intermediary). You should note that if you do not return a duly signed investor representation letter in a timely manner, you may not be eligible to participate in the Rights Issue.

Date:

Ascott Residence Trust Management Limited (the **Manager**)
 (as manager of Ascott Residence Trust)
 168 Robinson Road
 #30-01 Capital Tower
 Singapore 068912
 Tel: +65 6713 2163
 Fax: +65 6713 2121
 Attention: Ronald Tay

With a copy to:

BNP Paribas, acting through its Singapore branch (**BNPP**)
 10 Collyer Quay #34-01
 Ocean Financial Centre
 Singapore 049315
 Tel: +65 6210 1940
 Fax: +65 6210 3403
 Attention: Jasper Reiser

DBS Bank Ltd. (**DBS**)
 12 Marina Boulevard
 Marina Bay Financial Centre Tower 3
 Singapore 018982
 Tel: +65 6878 8034/2281
 Fax: +65 6227 9162
 Attention: Joyce Foo

Ladies and Gentlemen:

This letter is delivered in connection with our participation in the renounceable underwritten rights issue (the **Rights Issue**) by the Manager of new units (the **Rights Units**) in Ascott Residence Trust (the **Trust**), including the rights in nil-paid form to subscribe for Rights Units (the **Rights** and, together with the Rights Units, the **Securities**) We hereby acknowledge, represent, warrant and agree as follows:

1. We are the beneficial holder of (or acting on account of unitholders beneficially holding) units in the Trust as at the date hereof.
2. We are a "qualified institutional buyer" (**QIB**) as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the **Securities Act**), with full power and authority to make the acknowledgements, representations, warranties and agreements contained herein, and, if we are acquiring the Securities as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, we have sole investment discretion with respect to each such account, and we have full power and authority to make the acknowledgements, representations, warranties and agreements contained herein on behalf of each owner of such account.

3. To the extent we exercise the Rights and subscribe for Rights Units, or apply for excess Rights Units, we will acquire such Rights and Rights Units for our own account, or for the account of one or more QIB(s) as to which we have full investment discretion, in each case for investment purposes, and not with a view to any distribution (within the meaning of U.S. securities laws) of the Rights or the Rights Units.
4. Provided that we have returned and duly signed this investor representation letter in a timely manner, we understand that we will receive a copy of the offer information statement (the **Offer Information Statement**) which the Manager is issuing in connection with the Rights Issue, a copy of which will also be lodged with the Monetary Authority of Singapore and will be publicly available, and our receipt of the Rights, any subscription we may make for the Rights Units and application we may make for excess Rights Units will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in the Offer Information Statement, its accompanying documents and this letter. We agree that we will hold the Offer Information Statement in confidence, it being understood that the Offer Information Statement will be received by us solely for our use and that we will not duplicate, distribute, forward, transfer or otherwise transmit the Offer Information Statement, any provisional allotment letter relating to the Rights Issue or any other materials concerning the Rights Issue (including electronic copies thereof) to any persons within the United States.
5. We are aware and understand (and each account for which we are acting has been advised and understands) that an investment in the Securities involves a considerable degree of risk and that the Securities are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
6. We understand (and each account for which we are acting has been advised and understands) that no action has been or will be taken to permit an offering of the Securities in any jurisdiction (other than the lodgement of the Offer Information Statement with the Monetary Authority of Singapore); and we will not offer, resell, pledge or otherwise transfer any of the Rights or Rights Units which we may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
7. Without limiting the generality of the foregoing, we are aware and understand (and each account for which we are acting has been advised and understands) that (i) the Securities have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States, (ii) any offer and sale of the Securities to us is being made in reliance on an exemption from the registration requirements of the Securities Act, and (iii) the Securities are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act; and we agree, on our own behalf and on behalf of any accounts for which we are acting, that we will not offer, resell, pledge or otherwise transfer any Securities which we may acquire, or any beneficial interests therein, except in an offshore transaction complying with Rule 904 of Regulation S under the Securities Act, pursuant to another exemption from registration under the Securities Act or pursuant to an effective registration statement under the Securities Act.
8. To the extent we exercise the Rights and subscribe for Rights Units, or apply for excess Rights Units, we acknowledge and agree that we are not acquiring or subscribing for the Securities as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act). We understand and agree that although offers and sales of the Securities are being made in the United States to QIBs, such offers and sales are not being made under Rule 144A under the Securities Act.
9. To the extent we exercise the Rights and subscribe for Rights Units, or apply for excess Rights Units, we agree not to deposit any Securities into any unrestricted depository facility maintained by any depository bank unless and until such time as the Securities are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act.

10. Prior to making any investment decision to exercise the Rights and subscribe for Rights Units, or apply for excess Rights Units, we (i) will have consulted with our own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent we have deemed necessary, (ii) will have been furnished with and have carefully read and reviewed a copy of the Offer Information Statement and its accompany documents, (iii) will have possessed all information relating to the Trust, the Manager, the Rights Issue and the Securities which we believe is necessary or appropriate for the purpose of making our investment decision, including, without limitation, the Offer Information Statement and the Exchange Information (as defined below), (iv) will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Manager concerning the financial condition and results of operations of the Trust, the Manager, the Rights Issue and the Securities, and any such questions have been answered to our satisfaction, (v) will have reviewed all information that we believe is necessary or appropriate in connection with an investment in the Securities and (vi) will have conducted our own due diligence on the Trust, the Manager, the Rights Issue and the Securities, will have made our own investment decisions based upon our own judgment, due diligence and advice from such advisers as we have deemed necessary, and will not have relied upon any investigation that BNPP, DBS or any of their respective affiliates or any person acting on their behalf may have conducted with respect to the Trust, the Manager, the Rights Issue or the Securities, or any recommendation, promise, representation or warranty of or view expressed by or on behalf of the Manager, or its affiliates (including any research reports).
11. Without limiting the generality of the foregoing, we acknowledge that (i) the units of the Trust are listed on Singapore Exchange Securities Trading Limited (the **SGX-ST**) and the Manager is therefore required to publish certain business, financial and other information concerning the Trust in accordance with the rules and practices of the SGX-ST (the **Exchange Information**), which includes, but is not limited to, a description of the nature of the Trust's business and the Trust's most recent balance sheet and profit and loss account, and similar statements for preceding years, and that we have reviewed such Exchange Information as we have deemed necessary or that we are able to obtain or access the Exchange Information without undue difficulty; and (ii) none of the Manager, BNPP, DBS or any of their respective affiliates, employees, officers, directors or representatives has made any recommendation, promise, representation or warranty to us, express or implied, with respect to the Trust, the Manager, the Rights Issue or the Securities or the accuracy, completeness or adequacy of the Exchange Information.
12. We understand that the Exchange Information has been, and the Offer Information Statement will be, prepared in accordance with content, format and style which is either prescribed by the SGX-ST or under Singapore laws or is customary in rights offerings in Singapore, which differs from the content, format and style customary for similar offerings in the United States. In particular, (i) the Trust's financial information contained in the Exchange Information and to be contained in the Offer Information Statement will be prepared in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and (ii) with respect to the financial information to be contained in the Offer Information Statement, such financial information is not being prepared for an offering registered with the U.S. Securities and Exchange Commission.
13. We understand that the Manager has not made a determination as to whether the Trust may be classified as a "passive foreign investment company" (a **PFIC**) within the meaning of section 1297 of the U.S. Internal Revenue Code of 1986, as amended, for the current or any future taxable year and will not provide information required for us to make a "qualified election fund" election, and that there may be certain adverse consequences under United States tax laws if the Trust were to be a PFIC in the current or any future taxable year in which we may hold units in the Trust. We understand that a separate determination must be made each year as to the Trust's PFIC status and are seeking our own advice and will make our own assessment on this matter.
14. We acknowledge that (i) any information that we have received or will receive relating to or in connection with the Rights Issue and the Securities, including the Offer Information Statement and the Exchange Information (collectively, the **Information**), has been or will be prepared solely

by the Manager and (ii) that none of BNPP, DBS or any of their respective affiliates has verified or will verify such Information, and no recommendation, promise, representation or warranty (express or implied) is, has been or will be made or given by BNPP, DBS or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.

15. We will not hold BNPP, DBS or any of their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by the Manager to us. We acknowledge that no written or oral information relating to the Rights Issue, the Rights and the Rights Units has been or will be provided by BNPP, DBS or any of their respective affiliates to us.
16. We are a highly sophisticated investor and have such knowledge and experience in financial, business and international investment matters as to be capable of evaluating the merits and risks of an investment in the Securities. We, or any account for which we are acting, have the financial ability to bear the economic risk of investment in the Securities, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to any investment we (or such account for which we are acting) may make in the Securities, and are able to sustain a complete loss in connection therewith. We will not look to the Trust, the Manager, BNPP or DBS, for all or part of any such loss or losses we may suffer. We have no reason to anticipate any change in our circumstances, financial or otherwise, which may cause or require any sale or distribution by us of all or any part of any Securities we may decide to invest in.
17. We understand and acknowledge that BNPP and DBS are acting solely for the Trust and the Manager and no one else in connection with the Rights Issue and, in particular, are not providing any service to us, making any recommendations to us, advising us regarding the suitability of any transactions we may enter into to subscribe or purchase any Securities nor providing advice to us in relation to the Trust, the Manager, the Rights Issue or the Securities. Further, to the extent permitted by law, we waive any and all claims, actions, liabilities, damages or demands we may have against BNPP and DBS arising from their engagement with the Manager.
18. We have full power and authority to execute and deliver this letter, which constitutes our valid and legally binding obligation and is enforceable against us in accordance with its terms.
19. We understand that the foregoing acknowledgements, representations, warranties and agreements have been provided in connection with United States, Singapore and other securities laws. We acknowledge that BNPP, DBS, the Manager, their respective affiliates and others (including legal counsels to the Manager and BNPP and DBS) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of the Rights Issue or the issuance of the Rights Units, any of the acknowledgements, representations, warranties and agreements made in connection with our exercise of Rights and subscription for Rights Units or application for excess Rights Units is no longer accurate, we shall promptly notify the Manager in writing.
20. We understand that the Manager, BNPP, DBS and their respective affiliates are entitled to rely upon this letter and are irrevocably authorised to produce this letter or a copy hereof to any interested party in any administrative, arbitration or legal proceeding or official inquiry with respect to the matters covered hereby.
21. We irrevocably authorise any depository agent, which includes any nominee, custodian or other financial intermediary through which we hold units in the Trust, to provide the Manager and each of BNPP and DBS with a copy of this letter and such information regarding our identity and unitholding in the Trust (including pertinent account information and details of our identity and contact information) as may be necessary or appropriate to facilitate our receipt or exercise of Rights or purchase of Rights Units.
22. This letter shall be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflict provisions thereof. The parties irrevocably agree to waive trial

by jury in any action, proceeding, claim or counterclaim brought by or on behalf of either party related to or arising out of this letter agreement or the performance of services hereunder.

23. We, and each account on whose behalf we are acting, irrevocably submit to the non-exclusive jurisdiction of any New York State or United States federal court sitting in the Borough of Manhattan, The City of New York over any suit, action or proceeding arising out of or relating to this letter agreement. We, and each account on whose behalf we are acting, irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that we, or any account on whose behalf we are acting, have or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, such party irrevocably waives, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

For the purposes of the above acknowledgements, representations, warranties and agreements, the words "we", "us", "our" and similar words shall refer to ourselves and each account for which we are acting as if such acknowledgements, representations, warranties and agreements was made by us and each such account as principal. The term "affiliate" as used in this letter is understood to include all employees, officers, directors and representatives of the relevant party and any other person acting on that party's behalf in the relevant context.

Very truly yours,

Institution:

Signature:

Name:

Title:

Institution's Address

Daytime Telephone Number:

If signing on behalf of another person, please indicate the capacity in which signed:

Name, address and contact details of the depository agent, financial intermediary or custodian through which Units are held:

Please note that this Investor Representation Letter does not represent an order to subscribe for or purchase Securities.

PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND EXCESS APPLICATION BY ELIGIBLE UNITHOLDERS

1. INTRODUCTION

1.1 Eligible Unitholders are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank shall, where the Eligible Unitholder is a Depository Agent, be taken to include an application made via the SGX-SSH Service.

1.2 The Rights Entitlements are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the instructions in the ARE.

The number of Rights Entitlements allotted to each Eligible Unitholder is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Eligible Unitholders have been credited by CDP with the Rights Entitlements as indicated in the ARE. Eligible Unitholders may accept their Rights Entitlements in whole or in part and are eligible to apply for Excess Rights Units under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Entitlements and payment for Excess Rights Units are set out in the Offer Information Statement as well as the ARE.

1.3 If an Eligible Unitholder wishes to accept his Rights Entitlements specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units in addition to the Rights Entitlements allotted to him, he may do so by completing and signing the relevant sections of the ARE or by way of an Electronic Application. An Eligible Unitholder should ensure that the ARE is accurately completed and signed, failing which the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may be rejected.

For and on behalf of the Manager, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of the relevant Securities Account is not credited with, or is credited with less than, the relevant number of Rights Entitlements accepted as at the last date and time for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ELIGIBLE UNITHOLDER MAY ACCEPT HIS RIGHTS ENTITLEMENTS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS UNITS EITHER THROUGH CDP AND / OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK AS DESCRIBED BELOW. WHERE AN ELIGIBLE UNITHOLDER IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS and/or any other application

form for the Rights Units and/or Excess Rights Units in relation to the Rights Issue, or is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or is accompanied by an improperly or insufficiently drawn remittance, or does not comply with the instructions for Electronic Application, or where the “Free Balance” of the Eligible Unitholder’s Securities Account is not credited with or is credited with less than the relevant number of Rights Entitlements accepted as at the last date and time for acceptance of and excess application and payment for the Rights Units, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements, and where applicable, application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Unitholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units.

- 1.4 Persons who have previously bought their Units under the CPF Investment Scheme—Ordinary Account (collectively, “CPFIS Members”) can only use, subject to applicable CPF rules and regulations, their CPF account savings (“CPF Funds”) for the payment of the Issue Price to accept their provisional allotments of Rights Entitlements and (if applicable) apply for excess Rights Units. CPFIS Members who wish to accept their provisional allotments of Rights Entitlements and (if applicable) apply for excess Rights Units using CPF Funds will need to instruct their respective approved banks, where such CPFIS Members hold their CPF Investment Accounts, to accept the Rights Entitlements and (if applicable) apply for the excess Rights Units on their behalf in accordance with this Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Entitlements and (if applicable) apply for excess Rights Units. Any acceptance and (if applicable) application made directly to CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Entitlements directly from the market.**

SRS investors who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and/or apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. For the

avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the Rights Entitlements directly from the market.

- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Eligible Unitholders or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Entitlements or (if applicable) to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix D** of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ELIGIBLE UNITHOLDER MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ELIGIBLE UNITHOLDER WHO HAS ACCEPTED THE RIGHTS ENTITLEMENTS BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS UNITS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE MANAGER AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE MANAGER AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Eligible Unitholder wishes to accept the Rights Entitlements and (if applicable) apply for Excess Rights Units through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Entitlements provisionally allotted to him which he wishes to accept and the number of Excess Rights Units applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for payment in full for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for:
 - (i) by hand to **ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED, AS MANAGER OF ASCOTT RESIDENCE TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED, AS**

**MANAGER OF ASCOTT RESIDENCE TRUST, C/O THE CENTRAL
DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O.
BOX 1597, SINGAPORE 903147,**

in each case so as to arrive not later than **5.00 P.M. ON 31 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or a Banker's Draft drawn on a bank in Singapore and made payable to **"CDP—ART RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

FOR SRS INVESTORS AND INVESTORS WHO HOLD UNITS THROUGH FINANCE COMPANIES OR DEPOSITORY AGENTS, ACCEPTANCES OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATIONS FOR EXCESS RIGHTS UNITS MUST BE DONE THROUGH THE RELEVANT APPROVED BANKS IN WHICH THEY HOLD THEIR SRS ACCOUNTS AND THE RESPECTIVE FINANCE COMPANIES OR DEPOSITORY AGENTS, RESPECTIVELY. SUCH INVESTORS ARE ADVISED TO PROVIDE THEIR RESPECTIVE BANKS IN WHICH THEY HOLD THEIR SRS ACCOUNTS, FINANCE COMPANIES OR DEPOSITORY AGENTS, AS THE CASE MAY BE, WITH THE APPROPRIATE INSTRUCTIONS NO LATER THAN THE DEADLINES SET BY THEM IN ORDER FOR SUCH INTERMEDIARIES TO MAKE THE RELEVANT ACCEPTANCE AND (IF APPLICABLE) APPLICATION ON THEIR BEHALF BY THE CLOSING DATE. ANY ACCEPTANCE AND/OR APPLICATION MADE DIRECTLY THROUGH CDP, ELECTRONIC APPLICATIONS AT ATMS OF PARTICIPATING BANKS, THE UNIT REGISTRAR AND/OR THE MANAGER WILL BE REJECTED.

WHERE AN ELIGIBLE UNITHOLDER IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE VIA THE SGX-SSH SERVICE.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept Rights Entitlements and (if applicable) apply for Excess Rights Units through the SGX-SSH Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Manager to receive acceptances and (if applicable) applications on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the Rights Entitlements accepted by the Eligible Unitholder and (if applicable) the Excess Rights Units applied for by the Eligible Unitholder, the attention of the Eligible Unitholder is drawn to paragraphs 1.3 and 5.2 of this **Appendix C** of this Offer Information Statement which set out the circumstances and manner in which the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf

whether under the ARE, the ARS or any other application form for Rights Units to apply towards the payment for his acceptance of Rights Entitlements and/or application for Excess Rights Units.

2.5 Acceptance of Part of Rights Entitlements and Trading of Rights Entitlements

An Eligible Unitholder may choose to accept his Rights Entitlements specified in the ARE in full or in part. If an Eligible Unitholder wishes to accept part of his Rights Entitlements and trade the balance of his Rights Entitlements on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Entitlements which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described above to CDP; or
- (b) accept and subscribe for that part of his Rights Entitlements by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his Rights Entitlements may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST during the Rights Entitlements trading period should note that the Rights Entitlements will be tradable in board lots of 100 Rights Entitlements, or any other board lot size which the SGX-ST may require. Such Eligible Unitholders may start trading in their Rights Entitlements as soon as dealings therein commence on the SGX-ST. Eligible Unitholders who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the Rights Entitlements trading period.

2.6 Sale of Rights Entitlements

The ARE need not be forwarded to the purchasers and/or transferees of the Rights Entitlements ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Manager, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARS are accurately completed and signed, failing which their acceptances of the Rights Entitlements may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Unit Registrar, for the period up to **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Entitlements. You may obtain a copy from CDP. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Subject to compliance with applicable laws, Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH RIGHTS ENTITLEMENTS ARE SETTLED

THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS ENTITLEMENTS REPRESENTED BY THE RIGHTS ENTITLEMENTS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE RIGHTS ENTITLEMENTS ON THEIR BEHALF.

2.7 Renunciation of Rights Entitlements

Eligible Unitholders who wish to renounce in full or in part their Rights Entitlements in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Manager, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP, and for the renounee to accept his Rights Entitlements. The last date and time for acceptance of the Rights Entitlements and payment for the Rights Units by the renounee is **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through CDP) or **9.30 P.M. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through an ATM of a Participating Bank).

2.8 Acceptance/Application using CPF Funds

Unitholders participating under the CPFIS — Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Funds.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

2.9 Acceptance/Application using SRS Funds

Unitholders with SRS Accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies will need to instruct the relevant approved banks in which they hold their SRS Accounts (“**SRS Banks**”) to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf and make sure that they have sufficient funds in their SRS Accounts to pay for the number of Rights Units (including, if

applicable, the Excess Rights Units) for which they intend to subscribe. They may also partially accept their Rights Entitlements and/or instruct their respective brokers to sell their Rights Entitlements held under their SRS Accounts during the Rights Entitlements trading period on the SGX-ST.

Unitholders who have insufficient funds in their SRS Accounts to fully accept their Rights Entitlements and/or apply for Excess Rights Units and who have:

- (a) **not reached their SRS contribution cap** may, subject to the SRS contribution cap, deposit cash into their SRS Accounts and (i) instruct their respective SRS Banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf, to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts after the said deposit to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the Rights Entitlements trading period on the SGX-ST.
- (b) **reached their SRS contribution cap** may instruct their respective SRS Banks to (i) accept their Rights Entitlements and (if applicable) apply for Excess Rights Units to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the Rights Entitlements trading period on the SGX-ST.

If a Unitholder instructs the relevant SRS Bank to subscribe for Rights Units and (if applicable) apply for Excess Rights Units offered under the Rights Issue and he does not have sufficient funds in his SRS Account to pay for the number of Rights Units which he intends to subscribe, his acceptance of Rights Entitlements under the Rights Issue and, if applicable, application for Excess Rights Units will be made in part to the extent of the funds available in his SRS Account with the balance rejected.

SRS monies may not be used for the purchase of Rights Entitlements directly from the market.

Any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.10 Acceptance/Application via Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Any acceptance and (if applicable) application made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.11 Return of Surplus Application Monies

In the case of applications for Excess Rights Units, if no Excess Rights Units are allotted to an Eligible Unitholder or if the number of Excess Rights Units allotted to an Eligible Unitholder is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to the Eligible Unitholder without interest or any share of revenue or other benefit arising therefrom within three business days after commencement

of trading of Rights Units, at the Eligible Unitholder's own risk by any one or a combination of the following: (i) by crediting the Eligible Unitholder's bank account with the relevant Participating Bank if the Eligible Unitholder accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder; or (ii) by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent BY ORDINARY POST AT THE ELIGIBLE UNITHOLDER'S OWN RISK to the Eligible Unitholder's mailing address as recorded with CDP or in such other manner as the Eligible Unitholder may have agreed with CDP for the payment of any cash distributions, if the Eligible Unitholder accepts and (if applicable) applies through CDP.

3. COMBINATION APPLICATION

In the event that the Eligible Unitholder or the Purchaser accepts the Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder and the Purchaser shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Entitlements and/or application for Excess Rights Units (including by way of Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Eligible Unitholder has 1,000 Units standing to the credit of his Securities Account as at the Rights Issue Books Closure Date, the Eligible Unitholder will be provisionally allotted 290 Rights Entitlements as set out in his ARE. The Eligible Unitholder's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives	Procedures to be taken
(a) Accept his entire 290 Rights Entitlements and (if applicable) apply for Excess Rights Units.	<p>By way of Electronic Application</p> <p>(1) Accept his entire 290 Rights Entitlements and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 31 March 2017 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or</p> <p>Through CDP</p> <p>(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his 290 Rights Entitlements and (if applicable) the number of Excess Rights Units applied for and forward the original signed ARE together with a single remittance for S\$266.51 (or, if applicable, such higher amount in respect of the total number of Rights Entitlements accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "CDP—ART</p>

RIGHTS ISSUE ACCOUNT” and crossed “NOT NEGOTIABLE, A/C PAYEE ONLY” for the full amount due on acceptance and (if applicable) application, by hand to **ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED, AS MANAGER OF ASCOTT RESIDENCE TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 or by post, **AT HIS OWN RISK**, in the self-addressed envelope provided to **ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED, AS MANAGER OF ASCOTT RESIDENCE TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), and with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.**

NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his Rights Entitlements, for example 100 of his 290 Rights Entitlements, not apply for Excess Rights Units and trade the balance on the SGX-ST

By way of Electronic Application

- (1) Accept 100 of his 290 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his 100 of his 290 Rights Entitlements, and forward the original signed ARE, together with a single remittance for S\$91.90 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The balance of the 190 Rights Entitlements which are not accepted by the Eligible Unitholder may be traded on the SGX-ST during the Rights Entitlements trading period. **Eligible Unitholders should note that the Rights Entitlements will be tradable in the ready market, with each board lot comprising 100 Rights Entitlements. Eligible Unitholders who wish to**

trade in other lot sizes can do so on the SGX-ST's Unit Share Market during the Rights Entitlements trading period.

- (c) Accept a portion of his Rights Entitlements, for example 100 of his 290 Rights Entitlements, not apply for Excess Rights Units and reject the balance.

By way of Electronic Application

- (1) Accept 100 of his 290 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of 100 of his 290 Rights Entitlements, and forward the ARE, together with a single remittance for S\$91.90 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The balance of his 190 Rights Entitlements which is not accepted by the Eligible Unitholder will be deemed to have been declined and will forthwith lapse and become void, and cease to be capable of acceptance by that Eligible Unitholder if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or if an acceptance is not made through CDP by **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCE OF RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT FOR THE RIGHTS UNITS IN RELATION TO THE RIGHTS ISSUE IS:

- (A) **9.30 P.M. ON 31 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) AN APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) **5.00 P.M. ON 31 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) AN APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units and payment in the prescribed manner as set out in this Offer Information Statement, the ARE and the ARS (as the case may be) is not received through an ATM of the Participating Banks by **9.30 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or through CDP by **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) from any Eligible Unitholder or Purchaser, the Rights Entitlements that have been offered shall be deemed to have been declined and shall forthwith lapse and become void and cease to become capable of acceptance, and such Rights Entitlements not so accepted will be used to satisfy applications for Excess Rights Units, if any, or be otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit, in the interests of Ascott REIT. All monies received subsequent to the dates and times specified above will be returned by CDP for and on behalf of the Manager to the Eligible Unitholders or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ELIGIBLE UNITHOLDER'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF ANY ELIGIBLE UNITHOLDER OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix, an Eligible Unitholder should note that:

- (a) by accepting his Rights Entitlements and (if applicable) applying for Excess Rights Units, he acknowledges that, in the case where the amount of remittance payable to the Manager in respect of his acceptance of the Rights Entitlements and (if applicable) in respect of his application for Excess Rights Units as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Units in relation to the Rights Issue differs from the amount actually received by CDP, the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Entitlements; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. The determination and appropriation by the Manager and CDP shall be conclusive and binding;
- (b) if he has attached a remittance to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Manager and CDP, in applying the amounts payable for his acceptance of the Rights Entitlements and (if applicable) his application for Excess Rights Units, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP; and
- (c) in the event that the Eligible Unitholder accepts the Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of an Electronic Application, the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without

prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be deemed as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Rights Units (including an Electronic Application) which he has authorised or deemed to have authorised to apply towards the payment for acceptance of the Rights Units and/or application for Excess Rights Units in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Units

The Excess Rights Units available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. Applications for Excess Rights Units will, at the Directors' absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Unitholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the Rights Entitlements together with the aggregated fractional entitlements to the Rights Units, any unsold Rights Entitlements (if any) of Ineligible Unitholders and any Rights Units that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of Ascott REIT. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** Subject to the requirements of or otherwise waived by SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots. Each of TAL, the Subscribing Entities, other Substantial Unitholders who have control or influence over the Manager in connection with the day-to-day affairs of the Manager or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board and Directors will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Eligible Unitholders, without interest or any share of revenue or other benefit arising therefrom, within three business days after commencement of trading of the Rights Units, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder, or by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they apply through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of Rights Entitlements is made by the Eligible Unitholders or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — ART RIGHTS ISSUE ACCOUNT**" for the Rights Entitlements and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and/or application and with the names and Securities Account numbers of the Eligible Unitholders or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED, AS MANAGER OF ASCOTT RESIDENCE TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED, AS MANAGER OF ASCOTT RESIDENCE TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment (where applicable) in Singapore currency by way of telegraphic transfer by the Depository Agent for the Rights Units is effected by **5.00 p.m. on 31 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager),

the Rights Entitlements will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Eligible Unitholders or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** or in such other manner as they may have agreed with CDP for the payment of any cash distributions (where acceptance is through CDP), or by crediting their accounts with the relevant Participating Banks (where acceptance is through Electronic Application), and at the Eligible Unitholders' or the Purchasers' (as the case may be) own risk, within three business days after the commencement of trading of the Rights Units.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Confirmation Note

A confirmation note confirming the date of issue and the number of Rights Units issued will be issued by the Manager or the agent appointed by the Manager to CDP. Upon crediting of the Rights Units and Excess Rights Units, CDP will send to Eligible Unitholders and/or Purchasers, **BY ORDINARY POST AND AT THEIR OWN RISK**, notification letters showing the number of Rights Units and Excess Rights Units credited to their Securities Accounts.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Entitlements provisionally allotted and credited to an Eligible Unitholder's Securities Account. An Eligible Unitholder can verify the number of Rights Entitlements provisionally allotted and credited to his Securities Account online if he has registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using

his telephone pin (“**T-Pin**”). Alternatively, an Eligible Unitholder may proceed personally to CDP with his identity card or passport to verify the number of Rights Entitlements provisionally allotted and credited to his Securities Account.

It is the responsibility of an Eligible Unitholder and/or Purchaser to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Manager and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Manager accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post or deposited into boxes located at CDP’s premises or submitted by hand at CDP’s counters. An Eligible Unitholder can check the status of his acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units through the CDP Automated Phone Services Hotline number (65) 6535-7511 using his T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511.
2. Press ‘1’ for English; Press ‘2’ Mandarin.
3. Press ‘3’ for ‘Corporate Actions Announcement and Transactions’.
4. Press ‘2’ for your rights application status.
5. Enter your 12 digit CDP securities account number.
6. Enter your 6 digit telephone pin.

All communications, notices, documents and remittances to be delivered or sent to an Eligible Unitholder and/or Purchaser will be sent by **ORDINARY POST** to his mailing address as maintained in the records of CDP, **AT HIS OWN RISK**.

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, an Eligible Unitholder or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Unit Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, the SGX-ST, the Manager and the Joint Lead Managers and Underwriters (the “**Relevant Persons**”) for the purpose of facilitating his application for the Rights Units, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

PROCEDURE TO COMPLETE THE ARE / ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Units currently held by you

XXXX

This is your Unitholding as at the Record Date.

Units as at

14 March 2017

(Rights Issue Books Closure Date)

This is the date to determine your Rights Entitlements.

Number of Rights Units provisionally allotted*

XX.XXX

This is your number of Rights Entitlements.

Issue Price

\$0.919 per Rights Unit

This is price that you need to pay when you subscribe for one Rights Unit.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. ATM

Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **9.30 p.m., 31 March 2017.**

Participating Banks are DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited.

This is the last date and time to subscribe for the Rights Units through ATM and CDP.

You can apply your Rights Units through ATMs of these participating banks.

2. MAIL

Complete section below and submit this form to CDP by **5.00 p.m., 31 March 2017**

- (i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "CDP-ART RIGHTS ISSUE ACCOUNT" will be accepted
- (ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER** or **MONEY ORDER** will be rejected
- (iii) Write your name and securities account number on the back of the Banker's Draft/ Cashier's Order

This is the payee name to be issued on your Cashier's Order where ART is the name of the issuer.

3. Declaration

Please read the instructions overleaf and fill in the blanks below accordingly.

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Signature of Eligible Unitholder(s)

Date _____

Fill in the total number of the Rights Units and Excess Rights Units (for ARE)/ number of Rights Units (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of
the CO / BD number
(eg. 001764) within
the boxes.

Sign within the box.

- (i) If the total number of Rights Units applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Units applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Units will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

4. Sample of a Cashier's Order

CASHIER'S ORDER

DATE _____
DD / MM / YY

PAY CDP - [REDACTED] RIGHTS ISSUE ACCOUNT

SINGAPORE DOLLARS **SEVEN THOUSAND SIX HUNDRED ONLY**

OR ORDER
S\$ 7,600.00

BANK REF. : 01050B5000052 S1

VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE

⑆④Ⓜ⑈001764⑈??7?⑆105⑆1050999997⑈

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the **“Electronic Application Steps”**). Please read carefully the terms and conditions set out in this Offer Information Statement, the Electronic Application Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept Rights Entitlements and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Eligible Unitholders who have subscribed for or purchased Units under the CPFIS and/or the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the respective approved banks in which they hold their CPFIS accounts and/or SRS Accounts, finance company and/or Depository Agent to do so on their behalf. ANY APPLICATION MADE BY THE ABOVEMENTIONED ELIGIBLE UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED. Such Eligible Unitholders who have insufficient funds in their CPF Investment Accounts or SRS Accounts may deposit cash into their CPF Investment Accounts or SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

Such Eligible Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

All references to **“Rights Issue”** and **“Rights Application”** on the ATM screens of the Participating Banks shall mean the offer of Rights Units under the Rights Issue and the acceptance of Rights Entitlements and (if applicable) the application for Excess Rights Units, respectively. All references to **“Document”** on the ATM screens of the Participating Banks shall mean this Offer Information Statement.

Any reference to the **“Applicant”** in the terms and conditions for Electronic Applications and the Electronic Application Steps shall mean the Eligible Unitholder or the Purchaser who accepts his Rights Entitlements and (if applicable) applies for Excess Rights Units through an ATM of a Participating Bank.

An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks.

Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the **“Transaction Slip”**), confirming the details of his Electronic Application. The Transaction Slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units liable to be rejected.

The Electronic Applications shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below :

- (1) In connection with his Electronic Application, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units under the Rights Issue prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he authorises CDP to give, provide, divulge, disclose or reveal information pertaining to his Securities Account maintained in CDP's record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account, the number of Rights Entitlements allotted to him, his acceptance and (if applicable) application for Excess Rights Units and any other information (the **"Relevant Particulars"**) to the Manager and any other relevant parties (the **"Relevant Parties"**) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units will not be successfully completed and cannot be recorded as a complete transaction in the ATM unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Entitlements and (if applicable) Excess Rights Units using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and accept up to the aggregate of the number of Rights Entitlements allotted and Excess Rights Units applied for as stated on the Transaction Slip or the number of Rights Units standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of Rights Units that may be allotted to him and (if applicable) his application for Excess Rights Units.
- (5) In the event that the Applicant accepts the Rights Entitlements both by way of the ARE and/or the ARS (as the case may be) through CDP and/or by way of Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Entitlements which the Applicant has validly

given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of Rights Entitlements which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date, and the aggregate number of Rights Entitlements which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, and the Manager and/or CDP, in determining the number of Rights Entitlements which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Entitlements, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through the Electronic Application through the ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.

- (6) If applicable, in the event that the Applicant applies for Excess Rights Units both by way of ARE through CDP and by Electronic Application through the ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Excess Rights Units which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which he has applied by way of Electronic Application through the ATM and by way of ARE through CDP. The Manager and/or CDP, in determining the number of Excess Rights Units which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of Excess Rights Units, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
- (7) The Applicant irrevocably requests and authorises the Manager to:
 - (a) register, or procure the registration of the Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the acceptance and/or application monies, should his Electronic Application in respect of the Rights Entitlements accepted and (if applicable) Excess Rights Units applied for, as the case may be, not be accepted or, as the case may be, be accepted in part only by or on behalf of the Manager for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three business days after commencement of trading of the Rights Units.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE RIGHTS ENTITLEMENTS OR APPLYING FOR EXCESS RIGHTS UNITS AS A NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager) and any events whatsoever beyond the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager and if, in any such event, CDP, the

Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager do not record or receive the Applicant's Electronic Application by 9.30 p.m. on 31 March 2017, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager for any purported acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units, or for any compensation, loss or damage in connection therewith or in relation thereto.

- (10) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. and 9.30 p.m.
- (11) Electronic Applications shall close at **9.30 p.m. on 31 March 2017** or such other time as the Manager (in consultation with the Joint Lead Managers and Underwriters) may, in its absolute discretion, deem fit in the interests of Ascott REIT.
- (12) All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify the relevant Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance and/or application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance and/or application monies will be refunded on the same terms.
- (15) In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 31 March 2017** or such other time or date as the Manager may (in consultation with the Joint Lead Managers and Underwriters), in its absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance thereof by the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (c) none of the Manager, the Joint Lead Managers and Underwriters or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;

- (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units;
 - (e) in respect of the Rights Entitlements and (if applicable) the Excess Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts the Rights Entitlements, by way of the ARE, the ARS, and/or by way of Electronic Application through ATMs of Participating Banks, the Rights Units and/or Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:
- (a) by means of a crossed cheque in Singapore currency sent by ORDINARY POST at his own risk to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and
 - (b) by crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank a good discharge to the Manager and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Entitlements which the Applicant can validly accept, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:
- (a) the total number of Rights Entitlements which the Applicant has validly accepted, whether by way of an ARE or any other form of application (including an Electronic Application) for the Rights Units; and

- (b) the total number of Rights Entitlements allotted to the Applicant and standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance.

The Applicant hereby acknowledges that CDP's and the Manager's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the relevant Participating Bank through whom the Electronic Application is made in respect of the Rights Entitlements accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for, and such instructions shall be binding and conclusive on the Applicant.
- (21) With regard to any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue, or which does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Applicant's Securities Account is credited with less than the relevant number of Rights Units subscribed for as at the Closing Date, or in the case of an application by the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application and payment or otherwise process all remittances at any time after receipt in such manner as it deems fit.
- (22) The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements and (if applicable) application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application on its own, without regard to any other application and payment that may be submitted by the Applicant. For the avoidance of doubt, insufficient payment for an application submitted for the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units.

LIST OF PARTICIPATING BANKS

- DBS Bank Ltd. (including POSB);
- Oversea-Chinese Banking Corporation Limited; and
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited.

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SUMMARY VALUATION CERTIFICATES



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Co. Reg. No.: 197701161R
Agency Licence No.: L3002163I

Ascott Residence Trust Management Limited
No. 168 Robinson Road #30-01 Capital Tower
Singapore 068912

19 January 2017

Dear Sir/Madam

Valuation of 2 Serviced Apartment Assets in Germany

Instructions

We refer to instructions issued by Ascott Residence Trust Management Limited requesting formal valuation advice in respect of the 2 Serviced Apartment assets in Germany (the "Properties") to be acquired. We have been instructed to provide our opinion of Market Value of the Properties for acquisition purposes.

We have prepared a comprehensive formal valuation report for each of the Properties (the "Reports") in accordance with the requirements of our instructions and the following definition of "Market Value", namely:

"Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

The interests valued are inclusive of all plant, equipment, furniture and fittings, (excluding stock), where owned.

Reliance on this Letter

This letter summarises our Reports and outlines the key factors which have been considered in arriving at our opinions of Market Value. This letter should be read in conjunction with our Reports and is subject to the comments, terms and conditions contained therein. It does not contain all the necessary data and support information included in our Reports. For further information to that contained herein, reference should be made to the Reports, copies of which are held by the Manager. The valuation and market information are not guarantees or predictions and must be read in connection with the following:

- Each Report is approximately 70 pages in length and the conclusion as to the value is based upon the factual information contained therein. Whilst CBRE has endeavoured to ensure the accuracy of the factual information, it has not independently verified all that provided by the Manager or other sources. CBRE believes that every investor should review the Reports to understand the complexity of the methodology and the many variables involved.
- The methodologies used by CBRE in valuing the Properties, including Discounted Cash Flow Analysis, Capitalisation of Income Approach and Direct Comparison Method, are based upon estimates of future results and are not predictions. The key factors in these valuation methodologies are summarised for each of the Properties below. Each of the methodologies begins with a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions.
- The Reports have been undertaken based on information available as at the respective dates of each Report. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

Date of Valuation

The date of valuation for both of these properties is 15 January 2017.

Valuation Standards

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards January 2014 (“The Red Book”). We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding the valuation competently. Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE GmbH, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

Independence

The total fees, including the fee for this assignment, earned by CBRE GmbH (or other companies forming part of the same group of companies within Germany) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the CBRE GmbH revenues.

Valuation Rationale

In arriving at our opinions of value, we have considered relevant general and economic factors and in particular have investigated a broad range of market evidence and the trading performance of comparable properties. We have also reviewed historic trading levels and the future trading potential of the Properties. Our assessment has been made utilising, amongst other things, Discounted Cash flow Analysis, Capitalisation Analysis and Direct Comparison methods.

Discounted Cash Flow Analysis

As the primary method of valuation, we have carried out a discounted cash flow analysis over a ten year investment horizon which assumes that the Property is sold at the end of that period. This form of analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, income growth, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Capitalisation Analysis

As a cross check valuation approach, we have utilised the capitalisation of Initial Year Income approach and/or the Stabilised Year Approach. The Initial Year Income approach adopts the forecast Year 1 income and capitalises that income at a rate reflected in sales evidence in which foreseeable circumstances are known. The Stabilised Year Approach is used where the income stream is expected to vary greater than the rate of underlying inflation due to foreseeable changing market conditions, a recovering or declining business following an internal or external event, or to reflect the effect of capital expenditure. This analysis takes into account the forecast income over to the time taken for the income to have stabilised from the effect of the foreseeable circumstance. Capital expenditure required to achieve the expected income is deducted from the core value.

Direct Comparison

Another cross check method was to make direct comparison with the sale of other, comparable, properties. This is usually done by analysing the sales on a standardised basis such as a rate per unit of floor area or a rate per room or unit. Adjustments are then made to reflect differences in timing, location, tenure, physical characteristics etc.

Summary of valuations

Name of property	Valuation
Citadines Michel Hamburg	€ 30,900,000
Citadines City Centre Frankfurt	€ 36,400,000

This portfolio exercise has been completed by the Germany office of CBRE, coordinated by CBRE Pte. Ltd.. The inspections and due diligence enquiries, along with opinions of value, have been undertaken by the following valuers, who have the necessary qualifications and authorization in their respective territories:

- Martin Thom, Senior Director – CBRE GmbH
- Julia Kneist, Associate Director – CBRE GmbH

Disclaimer

CBRE has relied upon data supplied by the Manager which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The report analyses, opinions and conclusions are limited only to the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. CBRE has no present or prospective interest in the Properties and have no personal interest or bias with respect to the party/s involved. The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the causes of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'R. McIntosh', with a long horizontal line extending from the end of the signature.

CBRE Pte. Ltd.

Robert McIntosh, BSc, FRICS, FAPI
Executive Director– CBRE Hotels, Asia-Pacific

Valuation Summary – Citadines Michel Hamburg

Property:	Citadines Michel Hamburg Ludwig-Erhard-Straße 7, 20459 Hamburg, Germany
Interest Valued:	Leasehold subject to a proposed lease.
Land Area:	1,041 square metres.
Zoning:	Core Area – Hotel and Service Apartment Use Permitted.
Location:	The serviced apartments are located in Hamburg-Neustadt, and is situated approximately 1.5 km west of the city centre of Hamburg. The serviced apartments are located in a commercial neighbourhood and is 11.4 km away from the Hamburg Airport and 2.4 km from the HafenCity and the cruise terminals.
Brief Description:	Citadines Michel Hamburg is purpose built serviced apartment and opened in October 2014. The property is arranged over one single building, comprising basement, mezzanine floor, ground floor and six upper floors. The serviced apartments comprise 127 apartments, lobby, a lounge area, a breakfast restaurant, a small meeting room, a gym, guest laundry and 19 underground parking spaces.
Occupancy Profile:	The property is currently managed and operated under the Citadines brand.
Valuation Approach:	The valuation approach was the Discounted Cash flow, with Capitalisation of Initial (Forecast Year 1) EBITDA and Direct Comparison used as cross-checks.
Date of Inspection:	6 December 2016
Date of Valuation:	15 January 2017
Valuation:	€30,900,000 (Thirty Million and Nine Hundred Thousand EURO) exc VAT
Prepared By:	Martin Thom MRICS Senior Director – CBRE GmbH RICS Registered Valuer Julia Kneist MRICS, CIS HypZert (F) Associate Director – CBRE GmbH RICS Registered Valuer

Valuation Summary – Citadines City Centre Frankfurt

Property:	Citadines City Centre Frankfurt Europa-Allee 23, 60327 Frankfurt am Main, Germany
Interest Valued:	Freehold subject to a proposed lease.
Land Area:	2,200 square metres
Zoning:	Building and Open space, permitting commercial and Hotel/Seviced Apartment uses.
Location:	The serviced apartments are located in Frankfurt am Main, which is Germany's fifth largest city, major financial centre and transport hub. The serviced apartments' micro location is in the Europaviertel, a recognised commercial zone in the city centre and a district between Frankfurt's Exhibition Centre (Frankfurt Messe) and the banking district and directly opposite of the Skyline Plaza. Frankfurt Airport is located at about 12.2 km from the serviced apartments and is Germany's largest airport and the world's twelfth most important passenger and air freight hub.
Brief Description:	Citadines City Centre Frankfurt is a purpose built serviced apartment and opened in March 2014. The property is arranged over a single building comprising basement, ground floor and seven upper floors. The serviced apartment comprises 165 studios, apartments and classic hotel bedrooms. Facilities include one buffet breakfast area, guest lounge, conference and meeting facilities, fitness room, underground car parking for 42 vehicles, and one laundry room.
Occupancy Profile:	The property is currently managed and operated under the Citadines brand.
Valuation Approach:	The valuation approach was the Discounted Cash flow, with Capitalisation of Initial (Forecast Year 1) EBITDA and Direct Comparison used as cross-checks.
Date of Inspection:	9 December 2016
Date of Valuation:	15 January 2017
Valuation:	€36,400,000 (Thirty Six Million, Four Hundred Thousand EURO) exc VAT.
Prepared By:	Martin Thom MRICS Senior Director – CBRE GmbH RICS Registered Valuer Julia Kneist MRICS, CIS HypZert (F) Associate Director – CBRE GmbH RICS Registered Valuer

18 January 2017

DBS Trustee Limited (in its capacity as Trustee of Ascott Residence Trust)
c/o Ascott Residence Trust Management Limited
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Dear Sirs

VALUATION OF 2 SERVICED RESIDENCE PROPERTIES IN THE FEDERAL REPUBLIC OF GERMANY (“BRD”) COMPRISING:

- 1. Citadines Michel Hamburg**, Ludwig-Erhard-Straße 7, 20459 Hamburg, Germany
 - 2. Citadines City Centre Frankfurt**, Europa-Allee 23, 60327 Frankfurt am Main, Germany
-

Cushman & Wakefield (“C&W”) have been instructed to provide the Market Values as at 15 January 2017 and formal valuation reports in respect of the above mentioned properties (“the Properties”).

C&W have prepared formal valuation reports (the “Reports”) in accordance with the requirements of the instructions and the RICS Valuation – Professional Standards (January 2014) published by the Royal Institution of Chartered Surveyors.

The valuation has been made on the basis of the Market Values of the Properties in their existing state, assuming sale on an en-bloc basis. The Properties are free from any encumbrances and are to be sold under a lease agreement, as at the valuation date (i.e. 15 January 2017).

The valuation represents the “Market Value” which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

For the purpose of an intended transaction, we provide a valuation summary of the Reports with a brief description of the Properties together with the key factors that have been considered in determining the Market Values of the Properties. The value conclusions reflect all information known to the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

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FRANKFURT**

Reliance on This Letter

This letter together with its attachments is a summary of the Reports that C&W have carried out and it does not contain all the necessary information and assumptions that are included in the Reports. Further reference may be made to these Reports.

The valuation contained in the Reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, and Ascott Residence Trust Management Limited. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided by Ascott Residence Trust Management Limited, or reliable and reputable agencies.

The valuation has been made on the assumption that the seller sells the Properties on the open market with the benefit of a lease agreement and without the benefit of a deferred term contract, joint venture or any similar arrangement except for those disclosed to us, which could serve to affect the values of the Properties.

No allowance has been made in the Reports for any charges, mortgages or amounts owing on the Properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoing of an onerous nature, which could affect their values.

As the Property in Hamburg is held under a long term leasehold, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the land use rights. The Property in Frankfurt comprises a freehold interest.

We have relied to a very considerable extent on the information provided to us and have accepted advice given to us on such matters as tenure, particulars of occupancy, floor areas, identification of the Properties, historical financial data and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us. We have also sought confirmation that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have been provided with details of the lease contracts, which are currently under negotiation relating to the Properties. However, we have not been provided with copies of the above mentioned documents. All documents have been used for reference only.

The main methodology used in valuing the Properties, namely, the Discounted Cash Flow ("DCF") Analysis, is based on our professional opinion and estimates of the future results and are not guarantees or predictions. This methodology is based on a set of assumptions as to the income and expenses taking into considerations the changes in economic conditions and other relevant factors affecting the Properties. The resultant value is cross-checked by the Direct Comparison Approach and is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in our Reports. For further information on that, reference

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should be made to the Reports to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

We have inspected the exterior and the interior of the Properties. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the Properties but have assumed that the site areas shown on the documents and/or official plans handed to us by Ascott Residence Trust Management Limited are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Unless otherwise stated, all monetary sums stated in this letter are in Euro ("€ or EUR or Euro").

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have adopted the DCF Analysis to derive our valuation opinion, which is cross-checked by the Direct Comparison Approach.

DCF Analysis

The DCF model is adopted to study the Properties' potential cash flow and to analyze the present worth of the anticipated future benefits to the owner over an assumed holding period. Through a DCF model and income capitalization procedure, the values of the Properties are calculated. This approach is usually selected as the preferred valuation method for income-producing properties because it most closely reflects the investment considerations of knowledgeable buyers.

This valuation approach is supported by a 10-year cashflow, incorporating projections of future income and expenditure. These are not predictions, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment today and may be subject to change in the future. We make no warranty or representation that these projections of cashflow will materialize.

In assessing the Market Rents for the purpose of DCF Analysis, we have adopted the Direct Comparison Approach. Each comparable is analyzed on the basis of its unit rent; each attribute of the comparables is then compared with the subject.

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FRANKFURT**Direct Comparison Approach

The Direct Comparison Approach is universally considered the most accepted valuation approach for valuing most forms of real estate. This involves the analysis of recent market sales evidence of similar properties to compare with the premises under valuation. Each comparable is analyzed on the basis of its unit rate; each attribute of the comparables is then compared with the Subject Property.

Summary of Valuation

Our opinions of the Market Values of the Properties in their existing state, assuming sale on an en-bloc basis and free from any encumbrances except the lease agreements, as at the valuation date (i.e. 15 January 2017) are stated in the table below:

Property		Predominant Use	Market Value as at 15 January 2017
1.	Citadines City Centre Frankfurt	Serviced apartment	€ 39,000,000
2.	Citadines Michel Hamburg	Serviced apartment	€ 31,600,000

More property details and the key valuation assumptions for each of the Properties are found in the Valuation Certificates attached to this letter.

Disclaimer

We have prepared this valuation summary that appears herein and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included herein, other than in respect of the information provided within the valuation reports and summary. We only make warranty or representation as to the accuracy of the information in this valuation summary and the Reports.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom Ascott Residence Trust Management Limited is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

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We hereby certify that the Valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties.

Yours faithfully

For and on behalf of

CUSHMAN & WAKEFIELD VHS PTE LTD

For and on behalf of

CUSHMAN & WAKEFIELD LLP



Chew May Yen

Executive Director - Valuation & Advisory
Singapore
MSISV
Licensed Appraiser No AD41-2004419H



Christine Mayer CIS HypZert (F)

Associate - Valuation & Advisory
Germany

Encl.

**VALUATION OF CITADINES MICHEL HAMBURG & CITADINES CITY CENTRE
FRANKFURT**

VALUATION CERTIFICATE - CITADINES MICHEL HAMBURG

Valuation Date: 15 January 2017

Property: Ludwig-Erhard-Straße 7
20459 Hamburg
Germany

Tenure: Leasehold.

According to the information provided to us, the leasehold is valid for 99 years starting in 2012. The leasehold has been paid upfront (€ 3.85m). Due to the long duration and the advance payment, the leasehold is equivalent freehold.

Interest Valued: Land use rights and building ownership rights

Brief Description of Property: The property was constructed in 2014 and is arranged over 9 storeys (including basement and mezzanine) with a clinker brick façade covered by a flat roof. It comprises serviced apartments with a total of 127 units (thereof 99 Studios, 27 single rooms, 1 double room), 1 breakfast room, a gym, a business corner, a lounge and 19 parking lots. The property is in very good condition, the layout is efficient and meets current requirements. The property is known as "Citadines Michel Hamburg".

Current Planning Use: Core area, equivalent to mainly Commercial uses

Site Area: 1,041.00 square meters

Gross Floor Area: 6,577.37 square meters

No. of Units: 127 serviced apartment units

Operating Structure: Fixed lease of € 1,670,000 per annum indexed to consumer price indices (assumed according to the information provided by the client on the lease agreement to be entered into)

Basis of Valuation: Market Value of the property in its existing state as at the valuation date

Market Value: € 31,600,000

(Euros Thirty-One Million and Six Hundred Thousand Only)



**VALUATION OF CITADINES MICHEL HAMBURG & CITADINES CITY CENTRE
FRANKFURT**

VALUATION CERTIFICATE - CITADINES CITY CENTRE FRANKFURT

Date of Valuation: 15 January 2017

Property: Europa-Allee 23
60327 Frankfurt am Main
Germany

Tenure: Freehold



Interest Valued: Land and building ownership rights

Brief Description of Property: The property was constructed in 2014 and is arranged over 8 storeys (including basement) with nature stone and panel cladding covered by a flat roof. It comprises serviced apartments with a total of 165 units (thereof 149 Studios, 14 one bedroom apartments, 2 double bedroom apartments), a gym, a business corner, a breakfast restaurant, a lounge, 2 meeting rooms and 42 parking lots. The property is in very good condition, the layout is efficient and meets current requirements. The property is known as "Citadines City Centre Frankfurt".

Current Planning Use: Core area, equivalent to mainly Commercial uses

Site Area: 2,200.00 square meters

Gross Floor Area: 8,498.99 square meters

No. of Units: 165 serviced apartment units

Operating Structure: Fixed lease of € 2,000,000 per annum indexed to consumer price indices (assumed according to the information provided by the client on the lease agreement to be entered into)

Basis of Valuation: Market Value of the property in its existing state as at the valuation date

Market Value: **€ 39,000,000**
(Euros Thirty-Nine Million Only)

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In relation to this Offer Information Statement

Dated 14 March 2017

Directors of Ascott Residence Trust Management Limited

(as manager of Ascott Residence Trust)

Mr Tan Beng Hai
Chairman and Non-Executive Independent
Director

Mr Lim Ming Yan
Deputy Chairman and Non-Executive Non-
Independent Director

Mr (TA) Tay Boon Hwee
Chief Executive Officer and Executive Non-
Independent Director

Mr Lee Chee Koon
Non-Executive Non-Independent Director

Mr Sim Juat Quee Michael Gabriel
Non-Executive Independent Director

Ms Elaine Carole Young
Non-Executive Independent Director

Mr Zulkifli Bin Baharudin
Non-Executive Independent Director

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