ASCOTT RESIDENCE TRUST

An Associate of CapitaLand

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

ANNOUNCEMENT

USE OF PROCEEDS FROM RIGHTS ISSUE

Further to its announcement dated 18 December 2013 in relation to the use of the proceeds from the underwritten and renounceable rights issue (the "**Rights Issue**") of 253,749,218 new units in Ascott Residence Trust ("**Ascott REIT**"), Ascott Residence Trust Management Limited, as manager of Ascott REIT (the "**Manager**"), wishes to announce that part of the gross proceeds of the Rights Issue of approximately S$253.7 million has been utilised as follows:

(a) approximately S$98.6 million (which is equivalent to approximately 38.9% of the gross proceeds of the Rights Issue) has been used to repay borrowings from a revolving credit facility and various term loan facilities advanced to Ascott REIT;

(b) approximately S$12.3 million (which is equivalent to approximately 4.8% of the gross proceeds of the Rights Issue) has been used for general corporate purposes, being to partially fund the deposit payable upon the execution of the sale and purchase agreement for the acquisition of the New Cairnhill SR Target Property (as defined in the announcement made on 23 December 2013)[1]; and

(c) approximately S$0.7 million (which is equivalent to approximately 0.3% of the gross proceeds of the Rights Issue) has been used to pay the professional fees and expenses and other fees and expenses incurred in connection with the Rights Issue.

The use of proceeds from the Rights Issue as described above is in accordance with the use of proceeds and the percentage allocated as previously disclosed in Ascott REIT's announcement dated 5 December 2013 in relation to the Rights Issue.

1 The purchase consideration for the acquisition of the New Cairnhill SR Target Property (excluding the deposit) will be paid by other means.

The balance of the gross proceeds of the Rights Issue is approximately S$84.8 million. The Manager will make further announcements via SGXNET when the balance of the gross proceeds is materially disbursed.

By Order of the Board

Ascott Residence Trust Management Limited

(Company registration no. 200516209Z)

As manager of Ascott Residence Trust

Kang Siew Fong / Regina Tan

Joint Company Secretaries

30 December 2013

IMPORTANT NOTICE

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

The value of Units and the income derived from them may fall as well as rise. Units in Ascott REIT are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Ascott REIT is not necessarily indicative of the future performance of Ascott REIT.