This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. This announcement is not an offer of securities for sale into the United States, Canada or Japan. The securities referred to herein have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. Any public offering of securities made in the United States would be made by means of a prospectus that may be obtained from the Manager and would contain detailed information about the Manager and Ascott REIT, as well as financial statements. No public offering of securities is being made in the United States.

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

LAUNCH OF PRIVATE PLACEMENT

1. Introduction

Ascott Residence Trust Management Limited (the "**Manager**"), in its capacity as manager of Ascott Residence Trust ("**Ascott REIT**"), wishes to announce that the Manager is proposing to carry out a placement of 114,943,000 new units in Ascott REIT (the "**New Units**") to institutional and other investors at an issue price range of between S$1.305 per New Unit (the "**Minimum Issue Price**") and S$1.335 per New Unit (the "**Issue Price Range**") so as to raise gross proceeds of no less than S$150 million (the "**Private Placement**").

2. Details of the Private Placement

DBS Bank Ltd. and Standard Chartered Securities (Singapore) Pte. Limited have been appointed as the placement agents and underwriters for the Private Placement (the "**Placement Agents and Underwriters**") on the terms and subject to the conditions of the placement agreement entered into between the Manager and the Placement Agents and Underwriters on 28 January 2013 (the "**Placement Agreement**") pursuant to which the Placement Agents and Underwriters have agreed to, *inter alia*, procure subscriptions and payment for, and failing which to subscribe and pay for, the New Units at such final issue price per New Unit (the "**Issue Price**"), to be determined by the Manager, in consultation with the Placement Agents and Underwriters.

For illustrative purposes only, the Issue Price Range of between S$1.305 and S$1.335 per New Unit represents a discount of between 4.6% and 2.4%, respectively, to the adjusted volume weighted average price (the "**Adjusted VWAP**") of S$1.3685 per unit in Ascott REIT

("**Unit**") for trades in the Units done on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the full Market Day[1] on 28 January 2013, being the date the Placement Agreement was signed. The Adjusted VWAP is computed based on the volume weighted average price of all trades on SGX-ST for the full Market day on 28 January 2013 and subtracting (i) the declared distribution in respect of the period from 1 July 2012 to 31 December 2012 (the "**Semi-Annual Distribution**") and (ii) the estimated Advanced Distribution (as defined herein, together with the Semi-Annual Distribution, the "**Distributions**") of approximately 0.61 Singapore cents per Unit (being the mid-point of the estimated Advanced Distribution). The amount for the Advanced Distribution is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ. A further announcement on the actual quantum of the Advanced Distribution will be made by the Manager in due course.

The Issue Price will be determined by the Manager, in consultation with the Joint Placement Agents and Underwriters, following an accelerated book-building process, and an announcement will be made via SGXNET once the Issue Price has been determined.

The Private Placement shall be subject to certain conditions precedent as set out in the Placement Agreement, including the approval in-principle of SGX-ST for the listing of and quotation such number of New Units on the Main Board of SGX-ST.

3. Eligibility to Participate in the Private Placement

The offer of the New Units under the Private Placement will be made to institutional and other investors.

The New Units have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold in offshore transactions in reliance on Regulation S under the Securities Act and in the United States only to qualified institutional buyers (as defined in Rule 144A of the Securities Act) pursuant to Section 4(a)(2) under the Securities Act or another available exemption from registration under the Securities Act.

The Manager, together with the Placement Agents and Underwriters, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

4. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds from the Private Placement (based on the Minimum Issue Price) (the "**Gross Proceeds**"), in the following manner:

(i) approximately 98.0% of the Gross Proceeds to fund any future potential acquisitions, finance any asset enhancement initiatives of the properties owned by Ascott REIT, repayment of existing debt of Ascott REIT and its subsidiaries and/or general corporate and working capital; and

1 "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

(ii) approximately 2.0% of the Gross Proceeds to pay the estimated professional and other fees and expenses, incurred or to be incurred by Ascott REIT in connection with the Private Placement.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNet as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the stated percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending deployment of the net proceeds from the Private Placement, the net proceeds 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.

5. Rationale for the Private Placement

The Manager believes that the Private Placement will bring the following benefits to unitholders of Ascott REIT ("**Unitholders**").

5.1 Fund Ascott REIT's Growth Opportunities

The Private Placement will provide Ascott REIT with greater financial capacity to capitalise on existing growth opportunities which are expected to deliver yield and value accretion to existing Unitholders. With the increased debt headroom post the Private Placement, Ascott REIT will be able to act more expeditiously when pursuing (i) acquisition opportunities and/or (ii) asset enhancement initiatives, both with the objective of delivering additional value for Unitholders.

5.2 Strengthen Ascott REIT's Balance Sheet and Capital Structure

Following the Private Placement, for illustration purposes only, Ascott REIT's gearing is expected to decrease from 40.1%[2] to (i) 38.1% (assuming none of the Gross Proceeds of the Private Placement is used to repay debt), or to (ii) 34.9% (assuming 98% of the Gross Proceeds is used to repay debt).

The reduction in gearing will strengthen Ascott REIT's capital structure and its credit profile, and enhance Ascott REIT's balance sheet and its ability to secure additional debt facilities at potentially more competitive terms.

5.3 Expected Increase in Trading Liquidity of Units

The New Units to be issued pursuant to the Private Placement will increase the number of Units in issue by 114,943,000 Units, which is an increase of 10.1% of the total number of Units currently in issue. This will increase the free float of Ascott REIT from 50.6% to 55.2%.

The increase in the total number of Units is expected to improve the level of trading liquidity of the Units.

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2 Based on the unaudited financial statements of Ascott REIT for the financial year ended 31 December 2012.

6. Authority to Issue New Units

The Manager is relying on the general mandate ("**General Mandate**") that was given by the Unitholders to the Manager at the annual general meeting of Ascott REIT held on 23 April 2012, pursuant to which the Manager was authorised, during the period from 23 April 2012 until (i) the conclusion of the next annual general meeting of Ascott REIT or (ii) the date by which the next annual general meeting of Ascott REIT is required by the applicable regulations to be held, whichever is earlier, to issue new Units, whether by way of rights, bonus or otherwise and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require the new Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into new Units, provided that the aggregate number of new Units to be issued (including new Units to be issued in pursuance of Instruments made or granted) shall not exceed 50.0% of the total number of Units in issue as at 23 April 2012 (excluding treasury Units, if any) (the "**Base Figure**"), of which the aggregate number of new Units to be issued other than on a *pro rata* basis to existing Unitholders (including new Units to be issued in pursuance of Instruments made or granted), shall not be more than 20.0% of the Base Figure.

As at 23 April 2012, the number of Units in issue (excluding treasury Units) was 1,132,503,055. In aggregate with 10,315,639 units issued since 23 April 2012, the number of New Units to be issued pursuant to the Private Placement (114,943,000 New Units), would constitute 11.1% of the Base Figure, which is within the 20.0% limit for issues of units on a non-*pro rata* basis. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

7. Advanced Distribution and Status of the New Units

Other than in respect of the Distributions (as defined herein), the New Units to be issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued (the "**Existing Units**"), and will be entitled to the distributable income of Ascott REIT from the date of issuance of the New Units to 30 June 2013, as well as semi-annual distributions thereafter.

Ascott REIT's policy is to distribute its distributable income on a semi-annual basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Existing Units, a distribution of distributable income for the period from 1 January 2013 to the date immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the "**Advanced Distribution**"). The Advanced Distribution is estimated to be between 0.59 Singapore cents per Unit and 0.63 Singapore cents per Unit.

The New Units are expected to be issued on or about 6 February 2013. The Advanced Distribution is intended to ensure that the distribution accrued by Ascott REIT up to the day immediately preceding the date of issue of the New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The next distribution following the Advanced Distribution will comprise Ascott REIT's distributable income for the period from the day the New Units are issued pursuant to the Private Placement to 30 June 2013. Semi-annual distributions will resume thereafter.

8. Application to the SGX-ST for In-Principal Approval

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company Registration No: 200516209Z)
As Manager of Ascott Residence Trust

Kang Siew Fong
Company Secretary
Singapore, 28 January 2013

IMPORTANT NOTICE

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

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement may contain forward-looking statements that involve risks and uncertainties. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.