Not for distribution in the United States, Canada or Japan

This announcement is not an offer for sale of the securities in the United States. The Rights Units and Nil-Paid Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. 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 (as defined below) and would contain detailed information about the Manager and Ascott REIT (as defined below), as well as financial statements. There will be no public offering of securities in the United States.

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

ANNOUNCEMENT

RIGHTS ISSUE TO RAISE GROSS PROCEEDS OF APPROXIMATELY S$253.7 MILLION

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1. Overview

Ascott Residence Trust Management Limited, as manager (the "**Manager**") of Ascott Residence Trust ("**Ascott REIT**") wishes to announce that it is undertaking an underwritten and renounceable rights issue (the "**Rights Issue**") to raise gross proceeds of approximately S$253.7 million. Pursuant to the Rights Issue, 253,749,218 new units in Ascott REIT ("**Rights Units**") will be offered at the rights ratio ("**Rights Ratio**") of one (1) Rights Unit for every five (5) existing units in Ascott REIT ("**Existing Units**") held as at the time and date on which the transfer books and register of Unitholders will be closed to determine the provisional allotments of Rights Units to the Eligible Unitholders (as defined herein) (the "**Rights Issue Books Closure Date**").

The Rights Units will be issued pursuant to the general mandate (the "**General Mandate**") that was given by the unitholders of Ascott REIT (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 23 April 2013.

The Rights Issue would provide unitholders of Ascott REIT ("**Unitholders**") with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at an issue price of S$1.00 per Rights Unit ("**Issue Price**"), which is at a discount of:

(i) approximately 22.5% to the closing price of S$1.29 per unit in Ascott REIT ("**Unit**") on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 4 November 2013, being the last trading day of the Units prior to the announcement of the Rights Issue ("**Closing Price**");

(ii) approximately 23.7% to Ascott REIT's pro forma net asset value ("**NAV**") per Unit of S$1.31 after taking into account the latest valuation of the properties of Ascott REIT as at 30 June 2013 and the effects of the Rights Issue; and

(iii) approximately 19.5% to the theoretical ex-rights price ("**TERP**") of S$1.24 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, 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 July 2013 to 31 December 2013 as well as all distributions thereafter.

2. Rationale for the Rights Issue

Ascott REIT is one of the largest hospitality trusts listed on the SGX-ST and has demonstrated a successful track record of growth since its listing in 2006. The Manager continues to see a strong pipeline of potential quality acquisitions from The Ascott Limited ("**TAL**") and third parties in key gateway cities in China, Japan, Malaysia, Australia and Europe.

The Rights Issue will increase Ascott REIT's debt headroom through a reduction of its borrowings, hence enhancing Ascott REIT's ability to pursue potential acquisitions in an efficient manner and uplifting its competitive positioning in the market through various asset enhancement plans. The Rights Issue would also provide Ascott REIT with an enhanced credit profile and greater financial flexibility, enabling Ascott REIT to negotiate and secure debt facilities for future acquisitions at potentially more competitive terms.

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 22.5% to the Closing Price of S$1.29 per Unit, (ii) approximately 23.7% to Ascott REIT's pro forma NAV per Unit of S$1.31 after taking into account the latest valuation of the properties of Ascott REIT as at 30 June 2013 and the effects of the Rights Issue and (ii) approximately 19.5% to the TERP of S$1.24 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 253,749,218 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.

3. Use of Proceeds

The Manager intends to use the gross proceeds of approximately S$253.7 million from the Rights Issue in the following manner:

(i) approximately S$204.9 million (equivalent to approximately 80.8% of the gross proceeds) will be used to pay down Ascott REIT's debt;

(ii) approximately S$45.0 million (equivalent to approximately 17.7% of the gross proceeds) will be used to fund capital expenditure and asset enhancement initiatives, and for general corporate and working capital purposes;

(iii) approximately S$3.1 million (equivalent to approximately 1.2% of the gross proceeds) will be used to pay for the underwriting commission ; and

(iv) approximately S$0.7 million (equivalent to approximately 0.3% of the gross proceeds) 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.

Pending the deployment of the gross proceeds from the Rights Issue, the gross 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.

Any increase in Ascott REIT's debt headroom, through a reduction of its borrowings, will enhance Ascott REIT's flexibility in pursuing potential acquisitions in an efficient manner.

4. Underwriting of the Rights Issue

The Manager has appointed DBS Bank Ltd. and J.P. Morgan (S.E.A.) Limited as the joint lead managers and underwriters for the Rights Issue (the "**Joint Lead Managers and Underwriters**"). The Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters 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 4 November 2013 (the "**Management and Underwriting Agreement**"). The Joint Lead Managers and Underwriters will be entitled to a commission of 2.25% 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 Pro Rata Undertaking (as defined herein).

5. 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, has interests in 575,035,597 Units (the "**TAL Initial Units**") representing approximately 45.32% of the issued units in Ascott REIT as at 4 November 2013, has provided an irrevocable undertaking (the "**TAL Pro Rata 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 Somerset Capital Pte Ltd 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; and

(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).

TAL has, pursuant to the TAL Pro Rata Undertaking, agreed to a lock-up arrangement in respect of all the Units held by TAL and/or its Subscribing Entities (subject to the terms and conditions therein), during the period from the date on which the Rights Units are listed on the SGX-ST to the date falling 90 days after the date on which the Rights Units are listed on the SGX-ST.

6. Approval in-Principle

The SGX-ST has on 4 November 2013 given its approval in-principle for the listing and quotation of the Rights Units on the Main Board of the SGX-ST.

The SGX-ST's approval in-principle is not an indication of the merits of the Rights Issue, the Rights Units, the Manager, Ascott REIT and/or its subsidiaries.

The listing approval is subject to the following conditions:

(i) compliance with the SGX-ST's listing requirements;

(ii) a written undertaking from the Manager that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, Ascott REIT will disclose a breakdown with specific details on the use of proceeds for working capital in Ascott REIT's announcements on use of proceeds and in the annual report;

(iii) a written undertaking from the Manager that it will comply with the confirmation given in Listing Rule 877(10) with regards to the allotment of any excess Rights Units;

(iv) a written undertaking from the Manager that Listing Rule 818 will be complied with; and

(v) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the substantial shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.

7. Eligibility to participate in the Rights Issue

The Rights Units will be provisionally allotted under the Rights Issue at the Issue Price on the basis of their unitholdings as at the Rights Issue Books Closure Date to eligible Unitholders ("**Eligible Unitholders**"), being (i) Unitholders with Units standing to the credit of their Securities Account and whose registered addresses with The Central Depository (Pte) Limited ("**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 in the United States or any jurisdiction in which the offering of "nil-paid" rights and Rights Units may not be lawfully made ("**Eligible Depositors**"), and (ii) Eligible QIBs (as defined below).

"**Eligible QIBs**" are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (a) whose identities have been agreed upon by the Manager and the Joint Lead Managers and Underwriters; (b) who have each provided the Manager and the Joint Lead Managers and Underwriters with a signed Investor Representation Letter (in the form to be attached to the Offer Information Statement); and (c) who are Eligible Depositors.

Eligible Unitholders are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of Rights Units and are eligible to apply for Rights Units in excess of their provisional allotments of Rights Units (the "**Excess Rights Units**") at the Issue Price.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots followed by allotment to the Unitholders who are neither Substantial Unitholders[2] nor directors of the Manager ("**Directors**"). 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, will rank last in priority for the rounding of odd lots and allotment of excess Rights Units.

Eligible Unitholders who hold Units under the CPF Investment Scheme or the Supplementary Retirement Scheme or through a finance company or depository agent can only accept their provisional allotments of Rights Units by instructing their relevant bank, finance company or depository agent to do so on their behalf. **ANY APPLICATION**

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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.

2 "**Substantial Unitholders**" refers to Unitholders with an interest in more than 5.0% of all Units in issue.

MADE BY THE ABOVEMENTIONED UNITHOLDERS DIRECTLY TO CDP OR THROUGH ATMS WILL BE REJECTED. Such Unitholders should refer to the Offer Information Statement to be lodged with the MAS for important details relating to the offer procedure in connection with the Rights Issue.

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the Rights Units will not be offered to Unitholders who are not Eligible Unitholders, with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not before 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 ("**Foreign Unitholders**"). Accordingly, no provisional allotment of Rights Units will be made to Foreign Unitholders and no purported acceptance or application for Rights Units by Foreign Unitholders will be valid.

8. Offer Information Statement

In connection with the Rights Issue, the Manager will, following the lodgement of the offer information statement ("**Offer Information Statement**") with the Monetary Authority of Singapore (the "**MAS**"), issue and despatch the Offer Information Statement to Unitholders setting out, among other things, the details of the Rights Issue.

9. Indicative Timetable

An indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

Event	Date and Time
Last day of Units traded cum-rights for the Rights Issue	11 November 2013
First day of Units traded ex-rights for the Rights Issue	12 November 2013
Rights Issue Books Closure Date to determine rights entitlements	14 November 2013
Lodge Offer Information Statement in relation to the Rights Issue with the MAS	14 November 2013
Despatch of Offer Information Statement in relation to the Rights Issue	19 November 2013
Commence trading of "nil-paid" rights	19 November 2013
Last day of trading "nil-paid" rights	27 November 2013
Closing date:	
- Last date and time for acceptance of and payment for Rights Units	3 December 2013 at 5.00 p.m.(1) (9.30 p.m. for electronic applications)
- Last date and time for application of and payment for Excess Rights Units	3 December 2013 at 5.00 p.m.(1) (9.30 p.m. for electronic applications)
- Last date and time for acceptance of and	3 December 2013 at 5.00 p.m.

Event	Date and Time
payment by the renouncee	
Expected date of issue of Rights Units	11 December 2013
Expected listing of Rights Units	12 December 2013

Note:

(1) If acceptances of the Rights Units and/or applications for Excess Rights Units, as the case may be, are made through CDP.

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 SGXNET. However, as at the date of this announcement, the Manager does not expect the above timetable to be modified.

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

4 November 2013

IMPORTANT NOTICE

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

Any offering of Rights Units will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Units under the Rights Issue. The Offer Information Statement may be accessed online at the website of the MAS at <http://masnet.mas.gov.sg/opera/sdrprosp.nsf> when it is lodged with the MAS. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of Ascott REIT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.

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 Singapore Exchange Securities Trading Limited (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.

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) and is not to be distributed or circulated outside Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of other jurisdictions. The nil-paid rights and Rights Units referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. 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 the securities is being made in the United States.