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

ANNOUNCEMENT

**ASCOTT RESIDENCE TRUST PRIVATE PLACEMENT
USE OF PROCEEDS**

Further to the announcement dated 14 March 2016 (the “**Placement Announcement**”) in relation to the placement of 94,787,000 new units in Ascott Residence Trust (“**Ascott REIT**”) which raised gross proceeds of approximately S\$100.0 million (the “**Private Placement**”) and the announcement dated 24 March 2016 in relation to the use of proceeds from the Private Placement, Ascott Residence Trust Management Limited, as manager of Ascott REIT (the “**Manager**”), wishes to announce that S\$68.9 million (which is equivalent to 68.9% of the gross proceeds from the Private Placement of approximately S\$100.0 million) has been used to partially fund the remaining purchase consideration for the acquisition of the hotel property located at 250 and 370-372 Canal Street (a/k/a 13-15 Lispenard Street) in New York, United States (the “**Property**”).

It was stated in the Placement Announcement that notwithstanding its then current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at its absolute discretion for other purposes. As the fees and expenses in connection with the Private Placement of approximately S\$1.0 million are less than the originally estimated amount of S\$1.5 million, the excess proceeds of S\$0.5 million has been used by the Manager to repay borrowings from a revolving credit facility advanced to Ascott REIT.

The balance of the gross proceeds of the Private Placement is approximately S\$10.8 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

(Registration Number: 200516209Z)

As manager of Ascott Residence Trust

Kang Siew Fong / Regina Tan

Joint Company Secretaries

30 April 2016

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.