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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 announcements dated 14 March 2016, 15 March 2016 and 23 March 2016 in relation to the placement of 94,787,000 new units (the “**New Units**”) in Ascott Residence Trust (“**Ascott REIT**”) at an issue price of S\$1.055 per New Unit (the “**Private Placement**”), Ascott Residence Trust Management Limited, as manager of Ascott REIT (the “**Manager**”), wishes to announce that S\$19.3 million (which is equivalent to 19.3% of the gross proceeds from the Private Placement of approximately S\$100.0 million) has been used to pay 9.0% of the 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**”). The remainder of the purchase consideration will be paid on the date of completion of the said acquisition in accordance with the conditional sale and purchase agreement to acquire the Property.

Such use is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the Private Placement allocated to such use. The Manager will make further announcements via SGXNET as and when the remaining proceeds are 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

24 March 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.