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ASCOTT RESIDENCE TRUST

(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 (the “**Placement Announcement**”), 24 March 2016 and 30 April 2016 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**”), Ascott Residence Trust Management Limited, as manager of Ascott REIT (the “**Manager**”), wishes to announce that:

- (1) S\$2.3 million (which is equivalent to 2.3% of the gross proceeds from the Private Placement) has been used to fund the final outstanding balance 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**”); and
- (2) S\$8.0 million (which is equivalent to 8.0% of the gross proceeds from the Private Placement) has been used to repay borrowings from a revolving credit facility advanced to Ascott REIT.

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. The purchase consideration for the acquisition of the Property of approximately S\$90.5 million was less than the originally estimated amount of S\$98.5 million due to favourable exchange rate movements and lower associated costs of the acquisition. The excess of S\$8.0 million has been used by the Manager to repay borrowings from a revolving credit facility advanced to Ascott REIT.

As at the date of this announcement, the Manager has fully disbursed all of the gross proceeds from the Private Placement. Details of the use of proceeds from the Private Placement are as follows:

(in S\$' million)	Intended use of proceeds stated in Placement Announcement	Actual use of proceeds	Balance of Proceeds
To fund the acquisition of the Property	98.5	90.5	8.0
To pay the estimated fees and expenses in connection with the Private Placement	1.5	1.0	0.5
To repay outstanding borrowings	-	8.5	(8.5)
Total	100.0	100.0	-

BY ORDER OF THE BOARD

Ascott Residence Trust Management Limited
(Registration Number: 200516209Z)
As manager of Ascott Residence Trust

Karen Chan
Company Secretary
20 October 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.